



Forty-eighth Legislature - First Regular Session

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HOUSE OF REPRESENTATIVES

HB 2300

water district; Upper San Pedro
Sponsor: Representative Burns J

DPAS/E [Committee on Higher Education](#)

DPAS/E [Committee on Appropriations](#)

DPA [Caucus and COW](#)

X [As Transmitted to Governor](#)

HB 2300 allows the Upper San Pedro Water District and Board of Directors to be established if approved by qualified voters of the District. Outlines the powers, duties, responsibilities and limitations of the District and the Board. Creates an Organizing Board to prepare organizational, financial, comprehensive and election plans for the District.

History

The Defense Authorization Act of 2004 (Public Law 108-136, Section 321) required the Secretary of the Interior to prepare a report to Congress by December 31, 2004 on water use management and conservation measures to reduce groundwater overdraft in the Sierra Vista Subwatershed. That report, entitled "Water Management of the Region Aquifer in the Sierra Vista Subwatershed, Arizona – 2005 Report to Congress" can be found at www.uspartnership.com. Annual progress reports to Congress are required to be submitted by the Secretary of Interior, on behalf of the San Pedro Partnership, by October 31, of each year, beginning in 2005 through 2011.

The Upper San Pedro Partnership was formed in 1998, consisting of 21 local, state, federal and private organizations, to serve as the regional cooperative organization to identify, prioritize and implement policies and projects to ensure an adequate supply of water to meet the needs of the Sierra Vista Subwatershed and the San Pedro River.

The Upper San Pedro Groundwater Basin is primarily located in Cochise County with portions expanding into Pima County and Santa Cruz County. The Basin extends from the United States-Mexico border to a bedrock constriction called the Narrows just north of Benson, Arizona and is bounded on the west by the Huachuca Mountains and on the east by the Mule Mountains and Tombstone Hills.

The Sierra Vista Subwatershed lies within the Upper San Pedro Groundwater Basin, supporting a population of about 75,625 people and an ecologically diverse riparian system along the San Pedro River.

Provisions

Purpose

- Includes a statement of purpose that describes the dependence of the residents of the Upper San Pedro Groundwater Basin and Fort Huachuca on the groundwater in the basin and recognizes the contribution of the Fort to national defense and public safety of the residents of the state of Arizona; and describes the purpose of creating the Upper San Pedro Water District.
- Outlines the proposed area of the Upper San Pedro Water District as the portion of the Upper San Pedro Groundwater Basin that includes: Fort Huachuca, Sierra Vista, Tombstone, Huachuca City and the portion of Bisbee located within the Groundwater Basin.

District

- Allows the County Board of Supervisors, upon request of the Organizing Board, to place the question of District formation on the ballot.
- Identifies the District as a public improvement district of the state and provides the District with the associated general powers, privileges and immunities. Exempts the District from property taxes and states that Board decisions are subject to judicial review in the same manner as decisions of other special taxing districts.
- Prohibits the transfer of groundwater from the Upper San Pedro Water District. Grandfathers certain current transfers if specific conditions are met.
- Outlines the financial authority of the District and if authorized by the voters, allows the District to generate monies by levying a transaction privilege tax (TPT) on water providers in the District. The District is also able to sell water or water rights; charge user fees for services provided by the District; issue revenue bonds; and accept gifts, grants or donations from public or private sources.
- Outlines the District's authority to issue and sell negotiable revenue bonds. The bonds shall not be obligations of the state or any political subdivision other than the issuer.
- States that the District and municipal water delivery systems in the District are eligible to apply for financial assistance from the Water Supply Development Revolving Fund established in HB 2692, 48th Legislature, First Regular Session (Laws 2007, Chapter 226).

Organizing Board

- Establishes a nine-member Organizing Board and requires members to be qualified electors of the District.
- Requires the Governor to appoint five members, the President of the Senate to appoint two members and the Speaker of the House of Representatives to appoint two members. Members of the Organizing Board will serve until the elected Board of Directors is qualified and begins serving.
- Requires the Organizing Board to prepare:
 - an organizational plan for the Upper San Pedro Water District.
 - a financial plan for how revenue to support the District's activities will be generated.
 - a comprehensive plan addressing conservation, reuse, recharge and augmentation of water in the District, including measurable objectives to be met within ten years of establishment.
 - an election plan for the District addressing District formation, election of the Board of Directors and revenue generation.
- Authorizes the Organizing Board to cooperate and enter into Intergovernmental Agreements (IGA) with other government entities and agencies in the area. Establishes limits for the IGAs.

- Requires the Organizing Board to follow state laws regarding public meetings and proceedings.
- States that the County Attorney may advise or represent the Organizing Board, if deemed appropriate.
- Terminates the Organizing Board if the District is not established by 2012.

Board of Directors (Board)

- Establishes a seven-member Board if approved by qualified electors and requires members to be qualified electors of the District. Elected members will take office thirty days after the election.
- Outlines petition requirements for Board candidates.
- Requires the County Board of Supervisors to appoint a member to assume the powers and duties of the office, as if elected, if there is a vacancy on the Board.
- Allows Board members to receive reimbursement for actual and necessary expenses, but members are not eligible for compensation.
- Requires the Board to select a chairperson, vice chairperson and secretary-treasurer. Members of the Board are public officers and are subjects to all laws applicable to such officers and must subscribe to an official oath of office.
- Requires the Board to meet quarterly and follow state laws regarding public meetings and proceedings.
- Outlines the powers and duties of the Board and specifically allows the Board to:
 - conduct the business and affairs of the District.
 - execute contracts.
 - sue and be sued.
 - adopt a seal for the District.
 - pay debts and claims against the District using appropriate funds.
 - employ staff.
 - retain outside professional services including legal counsel.
- Authorizes the Board to:
 - acquire property, easements and rights of way.
 - purchase, construct and operate facilities of the District.
 - issue revenue bonds.
 - acquire water supplies and water rights for exchanges, recharge, underground storage and water deliveries.
 - operate augmentation projects including water treatment, wastewater treatment and reuse projects.
 - enter into intergovernmental agreements.
 - acquire energy resources to operate District facilities.
 - impose and collect fees related to sale of water, user fees, revenue bonds and levy a transaction privilege tax.
 - apply for and hold storage facility permits and acquire, hold, assign or otherwise dispose of storage account credits.
 - receive loans or grants from the Water Infrastructure Finance Authority (WIFA).
 - Consult with any governmental agency regarding matters of the District's powers and duties.
- States that the County Attorney may advise or represent the Board, if deemed appropriate.
- Allows the County Board of Supervisors to require reimbursement for the costs of services to the Board.
- Requires the District, through the Board, to:
 - modify the comprehensive plan at least every ten years to include measurable objectives to be met.
 - develop and implement programs that meet the goal of the District and the measurable objectives.
 - work with the Director of the Department of Water Resources (DWR) regarding actions taken by the Director that affect water supplies and water use in the District.
- Allows the Director of DWR to provide technical assistance to the Board.

- Requires the Director of DWR to review and provide comments on the District's proposed comprehensive plan before it is adopted and on any proposed modifications to the plan.
- Prohibits the Board from:
 - selling, at retail, potable water to customers in the District.
 - requiring water measuring devices for wells in the District.
 - imposing mandatory conservation requirements.
 - regulating use of water within the District.
 - regulating division of lands into unsubdivided lands.
 - exercising any right of eminent domain.
 - Regulating or zoning subdivided lands

Adequate water supply requirements

- Defines *adequate water supply* as it applies in the Upper San Pedro Water District.
- Requires a new subdivision to demonstrate that an adequate water supply exists before a plat can be submitted to a city, town or county where the subdivision will be located. A person can demonstrate adequacy if the subdivision will be served by a water provider that is designated as having an adequate water supply. A written commitment from the provider is required.
- Requires information on the adequacy determination to be noted on the face of the subdivision plat.
- Provides an exemption from the adequacy requirement if:
 - The proposed subdivision received final plat approval before the District was established and the plat has not materially changed.
 - Substantial capital investment toward construction of the project has been made before the date the District was established.
 - The subdivision will be served by a water supply project that is under construction or the subdivision will be served by Colorado River water by a provider that does not currently have the right to serve the water to the subdivision. The project will be completed, or the provider will have the right to serve Colorado River water to the subdivision, within 20 years; the subdivision must have an adequate water supply when the project is completed; and an interim water supply must provide enough water until the project is completed.
- Requires information related to determinations of adequacy and any exemptions to be included in promotional material and contracts for the sale of the lot. Information must also be provided to the State Real Estate Commissioner.
- Provides that if a subdivision is approved based on an exemption:
 - the county, city or town must give written notice of the approval to DWR and the Department of Environmental Quality.
 - a statement to that effect must be included on the face of the subdivision plat.
- Requires the State Real Estate Commissioner to deny issuance of a public report for a subdivision or timeshare property located within the District unless the development:
 - has demonstrated an adequate water supply.
 - will be served by a provider with a designation of adequate water supply.
 - is grandfathered.
 - is exempted.
- Requires the Director of DWR to provide notice and an opportunity for residents and landowners to file a written objection to an application for an adequate water supply determination in the District.

- Authorizes the Director of DWR to conduct an administrative hearing on an application for determination of an adequate water supply before making a decision. If a hearing is held, a notice of the hearing must be provided to the applicant and to anyone who filed an objection.
- Allows an applicant or a person who filed an objection to seek judicial review of the Director of DWR's final decision in Superior Court.
- States that the adequacy provisions contained in SB 1575, 48th Legislature, First Regular Session, do not apply in the Upper San Pedro Water District (Laws 2007, Chapter 240).

Financial provisions

- If approved by the voters in the District, the Board may levy a TPT on municipal water providers. The tax may not exceed 50 cents per 1,000 gallons of water and shall be paid to the Department of Revenue.
- Requires the State Treasurer to remit the net revenues collected to the District for deposit into the District's general fund.
- Allows the Board to issue negotiable revenue bonds and outlines revenue sources, interest rates, terms and conditions.
- Requires the District to adopt an annual administrative budget for the next fiscal year by July 1. The budget shall include actual and estimated administrative expenditures as well as an amount for contingencies and emergencies.
- Prohibits expenditures in excess of the total amount of the budget.
- Requires the District to prepare an operation budget for each fiscal year that includes capital items, incoming receipts, expenditures and estimates for the following fiscal year. The budget shall also include a statement that addresses assets, liabilities and bond obligations as well as other information that provides a complete disclosure of the current financial condition of the district.

Notification

- Requires the Board to hold a public hearing prior to levying or increasing the TPT tax, or issuing revenue bonds. Allows any resident or municipal water provider to testify at the hearing. A notice of the hearing must be published in a newspaper of general circulation in the district. Outlines the timing and specific publication requirements.
- Allows the District to mail the notice to all registered voters at least 10 days before the hearing, rather than publishing the information in a newspaper.
- Requires the District to issue a press release regarding the public hearing.

Audits and Reports

- Requires the District to submit an annual audit to the Auditor General and authorizes the Auditor General to examine the audit.
- Requires a special audit of the first five years of the District's operation and the District's Organizing Board. The special audit shall examine District financing, revenues, expenditures and level of performance. It must be completed by the Auditor General within six months of the close of the fifth fiscal year and submitted to the Governor, President of the Senate and Speaker of the House of Representatives.
- Requires the District to submit an annual report to the President of the Senate and the Speaker of the House of Representatives and by December 1 that describes all actions taken by the District during the preceding fiscal

year to meet the objectives in the District's comprehensive plan.

Conditional Enactment

- Includes a conditional enactment, exempting the District from the water adequacy provisions outlined in SB 1575, 48th Legislature, First Regular Session. The conditional enactment also provides that the District and municipal water delivery systems in the District are eligible for financial assistance from the Water Supply Development Revolving Fund established in HB 2692, 48th Legislature, First Regular Session.

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Forty-eighth Legislature
First Regular Session 2

June 18, 2007

----- DOCUMENT FOOTER -----

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HOUSE BILL 2300

AN ACT

AMENDING TITLE 45, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-108.01; AMENDING SECTION 45-544, ARIZONA REVISED STATUTES; AMENDING TITLE 48, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 37; RELATING TO THE UPPER SAN PEDRO WATER DISTRICT; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 45, chapter 1, article 1, Arizona Revised Statutes,
3 is amended by adding section 45-108.01, to read:

4 45-108.01. Definition of adequate water supply; upper San Pedro
5 water district

6 FOR THE PURPOSES OF SECTION 45-108, IF THE UPPER SAN PEDRO WATER
7 DISTRICT IS ESTABLISHED UNDER TITLE 48, CHAPTER 37 FOR PROPOSED USES IN THE
8 DISTRICT, "ADEQUATE WATER SUPPLY" MEANS A WATER SUPPLY THAT COMPLIES WITH ALL
9 OF THE FOLLOWING:

10 1. SUFFICIENT GROUNDWATER, SURFACE WATER OR EFFLUENT OF ADEQUATE
11 QUALITY WILL BE CONTINUOUSLY, LEGALLY AND PHYSICALLY AVAILABLE TO SATISFY THE
12 WATER NEEDS OF THE PROPOSED USE FOR AT LEAST ONE HUNDRED YEARS.

13 2. THE PROJECTED WATER USE IS CONSISTENT WITH THE GOAL OF THE DISTRICT
14 AS SET FORTH IN SECTION 48-6403, SUBSECTION B AND THE DISTRICT'S ABILITY TO
15 MEET THE MEASURABLE OBJECTIVES FOR ACHIEVING THE GOAL AS INCLUDED IN THE
16 DISTRICT'S MOST RECENT COMPREHENSIVE PLAN, AS DETERMINED BY THE DIRECTOR. IF
17 THE DISTRICT IS ESTABLISHED, THE DIRECTOR SHALL ADOPT RULES CONTAINING
18 CRITERIA FOR MAKING DETERMINATIONS UNDER THIS PARAGRAPH AND SHALL CONSULT
19 WITH THE DISTRICT BOARD IN DEVELOPING THE RULES.

20 3. THE FINANCIAL CAPABILITY HAS BEEN DEMONSTRATED TO CONSTRUCT THE
21 WATER FACILITIES NECESSARY TO MAKE THE SUPPLY OF WATER AVAILABLE FOR THE
22 PROPOSED USE, INCLUDING A DELIVERY SYSTEM AND ANY STORAGE FACILITIES OR
23 TREATMENT WORKS. THE DIRECTOR MAY ACCEPT EVIDENCE OF THE CONSTRUCTION
24 ASSURANCES REQUIRED BY SECTION 9-463.01, 11-806.01 OR 32-2181 TO SATISFY THIS
25 REQUIREMENT.

26 Sec. 2. Section 45-544, Arizona Revised Statutes, is amended to read:
27 45-544. Transportation in areas not subject to active
28 management; damages; upper San Pedro water district;
29 Little Colorado river plateau and Parker groundwater
30 basins; definitions

31 A. Except as otherwise provided in this section, section 45-547 and
32 article 8.1 of this chapter, in areas outside of active management areas:

33 1. Groundwater may be transported:

34 (a) Within a subbasin of a groundwater basin or within a groundwater
35 basin, if there are no subbasins, without payment of damages.

36 (b) Between subbasins of a groundwater basin, subject to payment of
37 damages.

38 2. Groundwater ~~may~~ SHALL not be transported away from a groundwater
39 basin.

40 3. GROUNDWATER SHALL NOT BE TRANSPORTED AWAY FROM THE UPPER SAN PEDRO
41 WATER DISTRICT IF ESTABLISHED UNDER TITLE 48, CHAPTER 37.

42 B. Notwithstanding subsection A, paragraph 2 OR 3 of this section,
43 subject to payment of damages:

1 1. A person who at any time during the twelve months before January 1,
2 1991 was transporting away from the Little Colorado river plateau groundwater
3 basin or the Parker groundwater basin groundwater that was legally withdrawn
4 from a well in either groundwater basin has the right, subject to subsection
5 C of this section, to transport groundwater that is legally withdrawn from
6 the well or a replacement well in approximately the same location to another
7 groundwater basin in an annual amount equal to the greater of the maximum
8 amount of groundwater either:

9 (a) That was withdrawn from the well and transported by the person
10 away from the groundwater basin in any one of the five calendar years
11 immediately preceding January 1, 1991.

12 (b) That could have been withdrawn from the well during the twelve
13 month period, taking into account the pump capacity and specific capacity of
14 the well during that period, or twenty-five acre-feet, whichever is less.

15 2. A person may transport groundwater by motor vehicle from the Little
16 Colorado river plateau groundwater basin or the Parker groundwater basin to
17 an adjacent groundwater basin for domestic purposes or stock watering.

18 3. A city or town whose service area is located either in the Little
19 Colorado river plateau groundwater basin and an adjacent groundwater basin or
20 in the Parker groundwater basin and an adjacent groundwater basin may
21 transport groundwater that is withdrawn within that portion of its service
22 area located in the Little Colorado river plateau groundwater basin or the
23 Parker groundwater basin to the adjacent groundwater basin for the benefit of
24 landowners and residents within its service area.

25 4. A city, town or private water company whose service area is located
26 in two adjacent groundwater basins and provides water utility service to
27 landowners or residents in both basins as of July 1, 1993 may transport
28 groundwater between those adjacent groundwater basins.

29 5. The transportation of groundwater in which groundwater is
30 transported away from the groundwater basin and expansions of that transfer
31 by the same person or its successor for the same purpose are valid if that
32 transfer was occurring before September 1, 1993.

33 6. Groundwater may be transported away from a groundwater basin for
34 mineral extraction and processing, except that no groundwater may be
35 transported away from the Parker groundwater basin or the Little Colorado
36 river plateau groundwater basin for that purpose AND, IF THE DISTRICT IS
37 ESTABLISHED, GROUNDWATER SHALL NOT BE TRANSPORTED AWAY FROM THE UPPER SAN
38 PEDRO WATER DISTRICT FOR THAT PURPOSE EXCEPT AS PROVIDED IN PARAGRAPH 7 OF
39 THIS SUBSECTION.

40 7. IF THE UPPER SAN PEDRO WATER DISTRICT IS ESTABLISHED UNDER TITLE
41 48, CHAPTER 37:

42 (a) A CITY, TOWN OR PRIVATE WATER COMPANY WHOSE SERVICE AREA IS
43 LOCATED IN THE DISTRICT AND A GROUNDWATER BASIN ADJACENT TO THE DISTRICT,
44 OTHER THAN THE UPPER SAN PEDRO GROUNDWATER BASIN, AND THAT PROVIDES WATER
45 UTILITY SERVICE TO LANDOWNERS OR RESIDENTS IN THE DISTRICT AND THAT ADJACENT

1 GROUNDWATER BASIN AS OF JULY 1, 1993 MAY TRANSPORT GROUNDWATER BETWEEN THE
2 DISTRICT AND THAT ADJACENT GROUNDWATER BASIN.

3 (b) THE TRANSPORTATION OF GROUNDWATER IN WHICH GROUNDWATER IS
4 TRANSPORTED AWAY FROM THE DISTRICT AND AWAY FROM THE UPPER SAN PEDRO
5 GROUNDWATER BASIN AND EXPANSIONS OF THAT TRANSFER BY THE SAME PERSON OR ITS
6 SUCCESSOR FOR THE SAME PURPOSE ARE VALID IF THAT TRANSFER WAS OCCURRING
7 BEFORE SEPTEMBER 1, 1993.

8 (c) THE TRANSPORTATION OF GROUNDWATER IN WHICH GROUNDWATER IS
9 TRANSPORTED AWAY FROM THE DISTRICT BUT NOT AWAY FROM THE UPPER SAN PEDRO
10 GROUNDWATER BASIN AND EXPANSIONS OF THAT TRANSFER BY THE SAME PERSON OR ITS
11 SUCCESSOR FOR THE SAME PURPOSE ARE VALID IF THAT TRANSFER WAS OCCURRING
12 BEFORE THE DATE THE DISTRICT IS ESTABLISHED.

13 C. The director may limit by order the amount of groundwater withdrawn
14 from a well in the Little Colorado river plateau groundwater basin for
15 transportation away from the basin pursuant to subsection B, paragraph 1 of
16 this section in any year in which the director determines that the projected
17 withdrawals from the well for that purpose will unreasonably increase damage
18 to surrounding land or other water users and if the well:

- 19 1. Was drilled on or before January 1, 1991.
- 20 2. Was not completed on January 1, 1991, but a notice of intention to
21 drill the well was on file on that date.
- 22 3. Is a replacement well, in approximately the same location, for a
23 well described in paragraph 1 or 2 of this subsection.

24 D. Groundwater may be withdrawn from a well drilled in the Little
25 Colorado river plateau groundwater basin after January 1, 1991, except a
26 replacement well in approximately the same location or a well drilled after
27 that date pursuant to a notice of intention to drill that was on file with
28 the department on that date, for transportation away from the basin pursuant
29 to subsection B, paragraph 1 of this section only if the location of the well
30 complies with the rules adopted pursuant to section 45-598, subsection A to
31 prevent unreasonably increasing damage to surrounding land or other water
32 users from the concentration of wells.

33 E. For the purposes of this section:

34 1. "Domestic purposes" means uses related to the supply, service and
35 activities of households and private residences and includes the application
36 of water to less than two acres of land to produce plants or parts of plants
37 for sale or human consumption, or for use as feed for livestock, range
38 livestock or poultry, as such terms are defined in section 3-1201.

39 2. "Stock watering" means the watering of livestock, range livestock
40 or poultry, as such terms are defined in section 3-1201.

1 3. "DEPARTMENT" MEANS THE DEPARTMENT OF WATER RESOURCES.
2 4. "DIRECTOR" MEANS THE DIRECTOR OF WATER RESOURCES.
3 5. "DISTRICT" MEANS THE UPPER SAN PEDRO WATER DISTRICT FORMED PURSUANT
4 TO THIS CHAPTER.
5 6. "MUNICIPAL WATER DELIVERY SYSTEM" MEANS AN ENTITY THAT DISTRIBUTES
6 OR SELLS POTABLE WATER PRIMARILY THROUGH A PIPELINE DELIVERY SYSTEM THAT IS
7 OWNED BY EITHER:
8 (a) A CITY OR TOWN INCORPORATED OR CHARTERED UNDER THE CONSTITUTION
9 AND LAWS OF THIS STATE.
10 (b) A PRIVATE ENTITY THAT IS REGULATED AS A PUBLIC SERVICE CORPORATION
11 BY THE CORPORATION COMMISSION UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND
12 NECESSITY.
13 (c) A SPECIAL TAXING DISTRICT ESTABLISHED UNDER CHAPTER 4 OR 6 OF THIS
14 TITLE.
15 (d) AN ENTITY THAT IS REGULATED AS A WATER SUPPLY SYSTEM BY THE
16 DEPARTMENT OF ENVIRONMENTAL QUALITY.
17 48-6403. Establishment of upper San Pedro water district; map;
18 goal; decreed and appropriative water rights
19 A. THE UPPER SAN PEDRO WATER DISTRICT MAY BE ESTABLISHED BY AN
20 ELECTION HELD PURSUANT TO THIS ARTICLE. IF THE DISTRICT IS ESTABLISHED, THE
21 LANDS IN THE DISTRICT SHALL CONSIST OF THE PORTION OF THE UPPER SAN PEDRO
22 GROUNDWATER BASIN DELINEATED ON THE MAP THAT IS DATED APRIL, 2007 AND THAT IS
23 ON FILE IN THE DEPARTMENT. THE DISTRICT INCLUDES FORT HUACHUCA, THE LANDS IN
24 THE CORPORATE LIMITS OF THE CITIES OF SIERRA VISTA AND TOMBSTONE AND THE TOWN
25 OF HUACHUCA CITY AND THE PORTION OF THE CITY OF BISBEE LOCATED IN THE UPPER
26 SAN PEDRO GROUNDWATER BASIN, BUT NOT ANY LANDS IN SANTA CRUZ COUNTY OR PIMA
27 COUNTY AND NOT INCLUDING THAT PORTION OF THE CITY OF BISBEE LOCATED IN THE
28 DOUGLAS GROUNDWATER BASIN. IF THE DISTRICT IS ESTABLISHED, A TRUE COPY OF
29 THE MAP SHALL BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY.
30 THE MAP PRESCRIBED BY THIS SECTION SHALL NOT BE MODIFIED WITHOUT THE APPROVAL
31 OF THE LEGISLATURE.
32 B. THE PURPOSE AND GOAL OF THE DISTRICT ARE TO MAINTAIN THE AQUIFER
33 AND BASE FLOW CONDITIONS NEEDED TO SUSTAIN THE UPPER SAN PEDRO RIVER AND TO
34 ASSIST IN MEETING THE WATER SUPPLY NEEDS AND WATER CONSERVATION REQUIREMENTS
35 FOR FORT HUACHUCA AND THE COMMUNITIES WITHIN THE DISTRICT.
36 C. THIS CHAPTER SHALL NOT BE CONSTRUED TO AFFECT DECREED AND
37 APPROPRIATIVE WATER RIGHTS. THIS CHAPTER SHALL NOT BE CONSTRUED TO AFFECT
38 ANY OF THE FOLLOWING:
39 1. THE DEFINITION OF SURFACE WATER IN SECTION 45-101.
40 2. WATER SUBJECT TO APPROPRIATION IN SECTION 45-141.
41 3. ANY PROVISION OF TITLE 45, CHAPTER 1, ARTICLE 9.
42 48-6403.01. Organizing board; upper San Pedro water district;
43 membership; authority; formation election
44 A. THE ORGANIZING BOARD FOR THE UPPER SAN PEDRO WATER DISTRICT IS
45 ESTABLISHED CONSISTING OF THE FOLLOWING PERSONS:

1 1. FIVE MEMBERS WHO ARE APPOINTED BY THE GOVERNOR AND WHO ARE
2 QUALIFIED ELECTORS OF THE PROPOSED DISTRICT, ONE OF WHOM MAY REPRESENT A CITY
3 THAT IS LOCATED IN THE PROPOSED DISTRICT AND THAT HAS A POPULATION OF
4 THIRTY-FIVE THOUSAND PERSONS OR MORE, ONE OF WHOM MAY REPRESENT A CITY THAT
5 IS LOCATED IN THE PROPOSED DISTRICT AND THAT HAS A POPULATION OF LESS THAN
6 THIRTY-FIVE THOUSAND PERSONS, ONE OF WHOM MAY REPRESENT A CONSERVATION
7 ORGANIZATION THAT HAS BEEN INVOLVED IN THE UPPER SAN PEDRO PARTNERSHIP OF
8 AGENCIES AND ENTITIES THAT IS RECOGNIZED UNDER FEDERAL LAW, ONE OF WHOM MAY
9 REPRESENT AN INVESTOR-OWNED UTILITY AND ONE OF WHOM MAY REPRESENT RETIRED
10 MILITARY PERSONNEL OR A MILITARY SUPPORT ORGANIZATION.

11 2. TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE AND TWO
12 MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THESE
13 MEMBERS SHALL BE QUALIFIED ELECTORS OF THE PROPOSED DISTRICT AND SHALL HAVE
14 AN INTEREST IN ONE OR MORE OF THE COMMUNITIES IN THE PROPOSED DISTRICT AND
15 MAY INCLUDE PERSONS REPRESENTING A CITY, TOWN OR COUNTY, A RESOURCE BASED
16 BUSINESS OR A NATURAL RESOURCE CONSERVATION DISTRICT OR OTHER PERSONS WHO
17 HAVE PERSONAL, BUSINESS OR PROFESSIONAL INTERESTS IN THE DISTRICT.

18 B. THE ORGANIZING BOARD OF THE DISTRICT SHALL PREPARE AND PROVIDE TO
19 THE PUBLIC THE FOLLOWING:

20 1. A DETAILED PLAN OF ORGANIZATION FOR THE UPPER SAN PEDRO WATER
21 DISTRICT.

22 2. A FINANCIAL PLAN BY WHICH ADEQUATE REVENUES WILL BE GENERATED TO
23 SUPPORT THE DISTRICT'S ACTIVITIES. THE ORGANIZING BOARD OF THE DISTRICT MAY
24 RECOMMEND A RATE OF TAXATION TO THE ELECTED BOARD BUT THE ORGANIZING BOARD
25 SHALL NOT SET THE RATE OF ANY TAX.

26 3. A COMPREHENSIVE PLAN FOR THE CONSERVATION, REUSE, RECHARGE AND
27 AUGMENTATION OF WATER IN THE DISTRICT DESIGNED TO ACHIEVE THE GOAL OF THE
28 DISTRICT. THE PLAN SHALL INCLUDE MEASURABLE OBJECTIVES TO BE MET BY THE
29 DISTRICT NOT LATER THAN TEN YEARS AFTER THE DISTRICT IS ESTABLISHED. THE
30 ORGANIZING BOARD SHALL CONSULT WITH THE DIRECTOR OF WATER RESOURCES WHEN
31 DEVELOPING THE PLAN.

32 4. AN ELECTION PLAN FOR THE DISTRICT THAT INCLUDES AN ELECTION FOR THE
33 FORMATION OF THE DISTRICT, AN ELECTION FOR MEMBERS OF THE BOARD OF DIRECTORS
34 OF THE DISTRICT, IF FORMATION IS APPROVED, AND APPROVAL OF AND AUTHORITY FOR
35 THE DISTRICT TO GENERATE REVENUE PURSUANT TO SECTION 48-6406. THE ELECTION
36 MAY BE CALLED BY THE COUNTY BOARD OF SUPERVISORS AT THE NEXT REGULAR GENERAL
37 ELECTION OR ON A DATE PRESCRIBED IN SECTION 16-204 BEFORE OR AFTER THE NEXT
38 GENERAL ELECTION DATE. THE ELECTION PLAN SHALL INCLUDE PROPOSED BALLOT
39 LANGUAGE THAT IS SUFFICIENTLY DETAILED TO INFORM THE VOTERS OF THE POWERS AND
40 DUTIES OF THE PROPOSED DISTRICT BOARD OF DIRECTORS, INCLUDING THE
41 ORGANIZATION OF THE DISTRICT, THE WATER MANAGEMENT GOAL AND THE REVENUE
42 GENERATING AUTHORITY OF THE PROPOSED DISTRICT.

43 C. THE ORGANIZING BOARD OF THE DISTRICT SHALL COOPERATE WITH OTHER
44 GOVERNMENT ENTITIES AND AGENCIES IN THE AREA OF THE PROPOSED DISTRICT,
45 INCLUDING THE DEPARTMENT, AND MAY ENTER INTO INTERGOVERNMENTAL AGREEMENTS

1 WITH THOSE ENTITIES BEFORE AND WITHOUT REGARD TO FORMATION OF ANY DISTRICT,
2 BUT THE ORGANIZING BOARD MAY NOT LEGALLY OR FINANCIALLY BIND THE DISTRICT.

3 D. THE ORGANIZING BOARD OF THE DISTRICT IS A PUBLIC BODY THAT IS
4 SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 3.1 RELATING TO OPEN MEETINGS.

5 E. IF THE DISTRICT IS ESTABLISHED, THE ORGANIZING BOARD OF THE
6 DISTRICT SHALL SERVE UNTIL AN ELECTED BOARD OF DIRECTORS IS QUALIFIED AND
7 BEGINS SERVING, BUT THE ORGANIZING BOARD MAY NOT ASSESS, LEVY OR COLLECT A
8 TAX.

9 F. THE COUNTY ATTORNEY FOR THE COUNTY MAY ADVISE OR REPRESENT THE
10 ORGANIZING BOARD ON MATTERS WITHIN THE BOARD'S AUTHORITY UNDER THIS CHAPTER
11 IF THE COUNTY ATTORNEY DETERMINES THAT THE ADVICE OR REPRESENTATION IS
12 APPROPRIATE AND NOT IN CONFLICT WITH THE COUNTY ATTORNEY'S DUTIES UNDER
13 SECTION 11-532.

14 G. IF THE DISTRICT IS NOT ESTABLISHED WITHIN FIVE YEARS AFTER THE
15 EFFECTIVE DATE OF THIS SECTION, THE AUTHORITY OF THE ORGANIZING BOARD IS
16 TERMINATED AND ANY INTERGOVERNMENTAL AGREEMENTS EXECUTED BY THE ORGANIZING
17 BOARD ARE TERMINATED.

18 48-6404. District as municipal corporation; exemption from
19 taxation; judicial review

20 A. THE DISTRICT IS A PUBLIC IMPROVEMENT DISTRICT OF THIS STATE AND A
21 MUNICIPAL CORPORATION TO THE EXTENT OF THE POWERS, PRIVILEGES AND IMMUNITIES
22 CONFERRED BY THIS CHAPTER OR GRANTED GENERALLY TO MUNICIPAL CORPORATIONS BY
23 THE CONSTITUTION AND STATUTES OF THIS STATE, INCLUDING THE IMMUNITIES AND
24 EXEMPTIONS PROVIDED BY ARTICLE XIII, SECTION 7, CONSTITUTION OF ARIZONA,
25 EXCEPT AS SPECIFICALLY LIMITED BY THIS CHAPTER.

26 B. THE DISTRICT IS REGARDED AS PERFORMING A GOVERNMENTAL FUNCTION IN
27 CARRYING OUT THE PURPOSES OF THIS CHAPTER AND IS NOT REQUIRED TO PAY TAXES OR
28 ASSESSMENTS ON ANY OF THE PROPERTY ACQUIRED OR CONSTRUCTED, ON THE ACTIVITIES
29 OF THE DISTRICT IN MAINTAINING AND CARING FOR THE REAL PROPERTY OR ON THE
30 MONIES DERIVED FROM THE PROPERTY.

31 C. DECISIONS OF THE BOARD OF DIRECTORS UNDER THIS CHAPTER ARE SUBJECT
32 TO JUDICIAL REVIEW ONLY TO THE SAME EXTENT AND IN THE SAME MANNER AS
33 DECISIONS OF OTHER SPECIAL TAXING DISTRICTS UNDER THIS TITLE.

34 48-6405. Board; members; terms; compensation

35 A. BEGINNING THIRTY DAYS AFTER THE DATE ON WHICH THE BOARD OF
36 DIRECTORS IS ELECTED, THE DISTRICT SHALL BE ADMINISTERED BY A BOARD OF
37 DIRECTORS OF SEVEN PERSONS WHO SHALL BE QUALIFIED ELECTORS OF THE DISTRICT.

38 B. A BOARD OF DIRECTORS SHALL BE ELECTED AS PRESCRIBED IN THIS
39 SECTION. AFTER THE ELECTION AND QUALIFICATION OF THE FIRST DIRECTORS, THE
40 DIRECTORS SHALL MEET AND DIVIDE THEMSELVES BY LOT INTO TWO CLASSES AS NEARLY
41 EQUAL IN NUMBER AS POSSIBLE. DIRECTORS OF THE FIRST CLASS SHALL SERVE FOR A
42 TERM OF FOUR YEARS AND DIRECTORS OF THE SECOND CLASS SHALL SERVE FOR A TERM
43 OF TWO YEARS. AT EACH STATEWIDE GENERAL ELECTION THEREAFTER, ONE DIRECTOR
44 FOR EACH EXPIRED TERM SHALL BE ELECTED AND SHALL HOLD OFFICE FOR A TERM OF

1 FOUR YEARS AND UNTIL THE DIRECTOR'S SUCCESSOR IS ELECTED AND QUALIFIED.
2 BOARD MEMBERS MAY BE REELECTED.

3 C. A CANDIDATE FOR ELECTION TO THE BOARD SHALL BE NOMINATED BY A
4 PETITION THAT IS SIGNED BY AT LEAST TWO HUNDRED QUALIFIED ELECTORS OF THE
5 DISTRICT AND FILED WITH THE CLERK OF THE BOARD OF SUPERVISORS OR THE
6 ELECTIONS OFFICER OF THAT COUNTY AS PRESCRIBED BY TITLE 16, CHAPTER 3.

7 D. ONLY QUALIFIED ELECTORS OF THE DISTRICT SHALL VOTE AT AN ELECTION
8 FOR DIRECTORS.

9 E. A VACANCY ON THE BOARD SHALL BE FILLED BY APPOINTMENT BY THE COUNTY
10 BOARD OF SUPERVISORS TO FILL THE UNEXPIRED PORTION OF THE TERM OF OFFICE.

11 F. A PERSON WHO IS APPOINTED AS A DIRECTOR PURSUANT TO THIS SECTION IS
12 FULLY VESTED WITH THE POWERS AND DUTIES OF THE OFFICE AS IF ELECTED TO THAT
13 OFFICE, UNLESS OTHERWISE PROVIDED IN THIS CHAPTER.

14 G. BOARD MEMBERS ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE
15 ELIGIBLE FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES WHILE ENGAGED IN
16 OFFICIAL BUSINESS UNDER ORDER OF THE BOARD.

17 H. THE BOARD SHALL SELECT A CHAIRPERSON, VICE-CHAIRPERSON AND
18 SECRETARY-TREASURER.

19 I. EACH BOARD MEMBER SHALL QUALIFY BY TAKING AND SUBSCRIBING AN
20 OFFICIAL OATH OF OFFICE AS PRESCRIBED BY TITLE 38.

21 J. MEMBERS OF THE BOARD ARE PUBLIC OFFICERS AND ARE SUBJECT TO ALL
22 LAWS APPLICABLE TO PUBLIC OFFICERS. THE PROVISIONS OF TITLE 38, CHAPTER 3,
23 ARTICLE 8, RELATING TO CONFLICT OF INTEREST, APPLY TO ALL BOARD MEMBERS,
24 OFFICERS AND EMPLOYEES OF THE DISTRICT.

25 48-6406. Formation election; tax authorization; election of
26 board members

27 A. THE COUNTY BOARD OF SUPERVISORS OF A COUNTY IN WHICH THE UPPER SAN
28 PEDRO WATER DISTRICT IS AUTHORIZED PURSUANT TO SECTION 48-6403, ON REQUEST OF
29 THE ORGANIZING BOARD OF THE DISTRICT APPOINTED PURSUANT TO SECTION
30 48-6403.01, MAY SUBMIT TO A VOTE OF THE QUALIFIED ELECTORS OF THE PROPOSED
31 DISTRICT THE ISSUE OF FORMATION OF THE DISTRICT AND ELECTION OF MEMBERS OF
32 THE BOARD OF DIRECTORS. ON REQUEST OF THE ORGANIZING BOARD OF THE DISTRICT,
33 THE BOARD OF SUPERVISORS MAY SUBMIT TO A VOTE OF THE QUALIFIED ELECTORS AS A
34 SEPARATE QUESTION OR AT A SEPARATE ELECTION THE ISSUE OF AUTHORITY FOR THE
35 DISTRICT TO LEVY A TRANSACTION PRIVILEGE TAX. ON REQUEST OF THE ORGANIZING
36 BOARD, THE BOARD OF SUPERVISORS MAY EITHER ORDER AND CALL A SPECIAL
37 DISTRICT-WIDE ELECTION FOR THOSE PURPOSES OR PLACE THE ISSUES ON THE BALLOT
38 AT A GENERAL ELECTION.

39 B. IF A MAJORITY OF THOSE VOTING ON THE QUESTION OF FORMATION APPROVE
40 THE FORMATION OF THE DISTRICT, THE DISTRICT SHALL BE FORMED. IF THE MAJORITY
41 OF THOSE VOTING ON THE QUESTION OF THE TAX LEVY APPROVE THE AUTHORITY FOR THE
42 DISTRICT TO LEVY A TRANSACTION PRIVILEGE TAX, THE DISTRICT MAY LEVY A
43 TRANSACTION PRIVILEGE TAX AS PRESCRIBED IN SECTION 48-6432. IF THE
44 DISTRICT'S FORMATION IS APPROVED AND THE QUESTION OF THE AUTHORITY TO LEVY
45 THE TAX IS NOT SUBMITTED TO OR NOT APPROVED BY A VOTE OF THE QUALIFIED

1 ELECTORS, THE DISTRICT SHALL NOT LEVY A TRANSACTION PRIVILEGE TAX UNLESS
2 AUTHORITY FOR THE LEVY IS SUBSEQUENTLY APPROVED BY A VOTE OF THE QUALIFIED
3 ELECTORS OF THE DISTRICT AS A SEPARATE AND SUBSEQUENT BALLOT QUESTION.

4 C. AT THE SAME ELECTION HELD PURSUANT TO SUBSECTION A OF THIS SECTION,
5 THE QUALIFIED ELECTORS OF THE DISTRICT SHALL ADDITIONALLY ELECT A BOARD OF
6 DIRECTORS FOR THE DISTRICT AS PRESCRIBED IN SECTION 48-6405, WHOSE MEMBERS
7 SHALL SERVE ONLY IF THE DISTRICT'S FORMATION IS APPROVED AT THAT ELECTION.

8 D. IF A TRANSACTION PRIVILEGE TAX IS APPROVED, THE BOARD OF DIRECTORS
9 SHALL SET THE TRANSACTION PRIVILEGE TAX RATE IN AN AMOUNT DETERMINED PROPER
10 BY THE BOARD, BASED ON THE ACTIVITIES AND PROJECTS OF THE DISTRICT AND WITHIN
11 THE LIMITS PRESCRIBED IN SECTION 48-6432.

12 48-6407. Board meetings; notice

13 A. THE BOARD SHALL HOLD REGULAR MEETINGS EVERY CALENDAR QUARTER AND
14 ADDITIONAL MEETINGS ON THE CALL OF THE CHAIRPERSON OR A MAJORITY OF THE
15 MEMBERS OF THE BOARD. THE SECRETARY-TREASURER SHALL GIVE AT LEAST THREE
16 DAYS' NOTICE OF EACH MEETING TO EACH MEMBER OF THE BOARD IN ADDITION TO THE
17 PUBLIC NOTICES REQUIRED BY LAW.

18 B. THE DISTRICT IS A PUBLIC BODY FOR THE PURPOSES OF TITLE 38, CHAPTER
19 3, ARTICLE 3.1 RELATING TO OPEN MEETINGS.

20 48-6408. Powers and duties of the board

21 A. THE BOARD SHALL DETERMINE ITS ORGANIZATIONAL AND PROCEDURAL
22 STRUCTURE, ADOPT, AMEND OR REPEAL BYLAWS, RULES AND FORMS CONSISTENT WITH THE
23 REQUIREMENTS OF THIS CHAPTER AND PRESCRIBE A SYSTEM OF ACCOUNTS.

24 B. THE BOARD MAY:

- 25 1. MANAGE AND CONDUCT THE BUSINESS AND AFFAIRS OF THE DISTRICT.
- 26 2. MAKE AND EXECUTE ALL NECESSARY CONTRACTS, INCLUDING
- 27 INTERGOVERNMENTAL AGREEMENTS PURSUANT TO TITLE 11, CHAPTER 7, ARTICLE 3.
- 28 3. SUE AND BE SUED.
- 29 4. ADOPT A SEAL FOR THE DISTRICT TO BE USED TO ATTEST TO DOCUMENTS.
- 30 5. PROVIDE FOR PAYMENT OF ALL DEBTS AND APPROPRIATE CLAIMS AGAINST THE
- 31 DISTRICT FROM THE APPROPRIATE FUNDS.
- 32 6. EMPLOY SUCH ADMINISTRATIVE, LEGAL, ENGINEERING, ACCOUNTING,
- 33 CLERICAL AND OTHER STAFF AS MAY BE NECESSARY AND PRESCRIBE THE DUTIES, TERMS
- 34 AND CONDITIONS OF EMPLOYMENT.
- 35 7. RETAIN OUTSIDE PROFESSIONAL SERVICES, INCLUDING LEGAL COUNSEL.
- 36 8. PERFORM ALL OTHER ACTS NECESSARY TO CARRY OUT THE PURPOSES OF THIS
- 37 CHAPTER.

38 C. IN ADDITION TO THE ADMINISTRATIVE POWERS AND DUTIES OF THE BOARD
39 PRESCRIBED IN SUBSECTIONS A AND B OF THIS SECTION, THE BOARD, FOR AND IN THE
40 NAME OF THE DISTRICT, MAY:

- 41 1. ACQUIRE IN ANY LAWFUL MANNER, EXCEPT AS LIMITED BY THIS CHAPTER,
- 42 AND SELL, LEASE, EXCHANGE OR OTHERWISE DISPOSE OF REAL AND PERSONAL PROPERTY,
- 43 EASEMENTS AND RIGHTS-OF-WAY THAT ARE NECESSARY OR REQUIRED FOR THE USES AND
- 44 PURPOSES OF THE DISTRICT.

- 1 2. PURCHASE, CONSTRUCT, OWN, LEASE, MAINTAIN AND OPERATE ALL WORKS,
2 FACILITIES AND OTHER PROPERTY NECESSARY FOR THE USES AND PURPOSES OF THE
3 DISTRICT.
- 4 3. ACQUIRE, TRANSPORT, DELIVER, TREAT OR RECHARGE WATER PURSUANT TO
5 THIS CHAPTER, INCLUDING RECHARGING STORMWATER AND PROVIDING OR SELLING WATER
6 TO A PERSON OR ENTITY THAT MAKES DIRECT DELIVERIES OF WATER.
- 7 4. ISSUE BONDS AND PLEDGE ALL OR PART OF ITS REVENUE FROM ANY SOURCE
8 FOR SECURITY AND PAYMENT OF ITS BONDS PURSUANT TO SECTION 48-6433.
- 9 5. NEGOTIATE, MAKE, EXECUTE, ACKNOWLEDGE AND PERFORM ANY CONTRACT,
10 AGREEMENT OR OBLIGATION IT DEEMS ADVISABLE FOR THE INTEREST OF THE DISTRICT
11 TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS CHAPTER, INCLUDING AGREEMENTS
12 TO ACQUIRE WATER SUPPLIES AND WATER RIGHTS FOR WATER EXCHANGES, RECHARGE,
13 UNDERGROUND STORAGE AND WATER DELIVERIES.
- 14 6. PLAN, COORDINATE, CONSTRUCT, OPERATE, MAINTAIN AND DISMANTLE WATER
15 AUGMENTATION PROJECTS THAT ARE OPERATED BY THE DISTRICT, INCLUDING TREATMENT,
16 RECHARGE, UNDERGROUND STORAGE AND RECOVERY AND RETENTION PROJECTS, WATER
17 TREATMENT, AND WASTEWATER TREATMENT AND REUSE PROJECTS.
- 18 7. ENTER INTO INTERGOVERNMENTAL AGREEMENTS, MEMORANDA OF UNDERSTANDING
19 OR OTHER CONTRACTS WITH SINGLE OR MULTIPLE PARTIES, INCLUDING FEDERAL
20 AGENCIES THAT PROVIDE FUNDING TO MEET THE GOAL OF THE DISTRICT, TO FURTHER
21 THE DISTRICT'S PURPOSES.
- 22 8. ACQUIRE ENERGY RESOURCES TO OPERATE DISTRICT FACILITIES.
- 23 9. IMPOSE AND COLLECT FEES AS PROVIDED IN SECTION 48-6431, BORROW
24 MONIES OR RECEIVE GIFTS, GRANTS AND DONATIONS FROM ANY PUBLIC OR PRIVATE
25 SOURCE.
- 26 10. ENTER INTO CONTRACTS, INTERGOVERNMENTAL AGREEMENTS OR MEMORANDA OF
27 UNDERSTANDING FOR PUBLIC EDUCATION PROGRAMS IN THE DISTRICT RELATING TO WATER
28 CONSERVATION.
- 29 11. APPLY FOR AND HOLD STORAGE FACILITY PERMITS, WATER STORAGE PERMITS
30 AND RECOVERY WELL PERMITS UNDER TITLE 45, CHAPTER 3.1.
- 31 12. ACQUIRE, HOLD, ASSIGN OR OTHERWISE DISPOSE OF CREDITS REGISTERED TO
32 STORAGE ACCOUNTS UNDER ANY PROVISION OF TITLE 45, CHAPTER 3.1.
- 33 13. APPLY FOR AND RECEIVE LOANS OR GRANTS UNDER TITLE 49, CHAPTER 8.
- 34 14. CONSULT AND CONFER WITH ANY GOVERNMENTAL AGENCY WITH RESPECT TO
35 MATTERS WITHIN THE DISTRICT'S POWERS AND DUTIES UNDER THIS CHAPTER.
- 36 15. CONDUCT ANY OTHER ACTIVITIES THAT ARE REASONABLY NECESSARY AND
37 RELATED TO THE POWERS AND DUTIES DESCRIBED BY THIS CHAPTER.
- 38 D. THE COUNTY ATTORNEY FOR THE COUNTY MAY ADVISE OR REPRESENT THE
39 DISTRICT ON MATTERS WITHIN THE DISTRICT'S AUTHORITY UNDER THIS CHAPTER IF THE
40 COUNTY ATTORNEY DETERMINES THAT THE ADVICE OR REPRESENTATION IS APPROPRIATE
41 AND NOT IN CONFLICT WITH THE COUNTY ATTORNEY'S DUTIES UNDER SECTION 11-532.
- 42 E. NOTWITHSTANDING ANY OTHER LAW, THE COUNTY BOARD OF SUPERVISORS MAY
43 REQUIRE THE DISTRICT TO REIMBURSE THE COUNTY FOR THE COST OF SERVICES
44 PROVIDED TO THE DISTRICT, INCLUDING THE USE OF THE COUNTY ATTORNEY. THE
45 BOARD OF SUPERVISORS SHALL ESTABLISH A SCHEDULE FOR REIMBURSEMENT OF COUNTY

1 SERVICES AND SHALL DISTRIBUTE THIS SCHEDULE TO THE DISTRICT BEFORE PROVIDING
2 ANY SERVICE NAMED IN THE SCHEDULE. THE REIMBURSEMENT SCHEDULE SHALL NOT
3 EXCEED THE ACTUAL COSTS FOR THE SERVICES PROVIDED BY THE COUNTY. THE
4 DISTRICT MAY ELECT TO PERFORM FOR ITSELF ANY OF THE SERVICES PROVIDED BY THE
5 COUNTY IN LIEU OF REIMBURSEMENT, EXCEPT ELECTION SERVICES PROVIDED BY THE
6 COUNTY.

7 48-6409. Water development and management; technical assistance
8 and review by director of water resources

9 A. FOR PURPOSES OF ACHIEVING THE GOAL OF THE DISTRICT AS DESCRIBED IN
10 SECTION 48-6403, THE DISTRICT THROUGH ITS BOARD SHALL DO THE FOLLOWING
11 CONSISTENT WITH SECTION 48-6410:

12 1. MODIFY THE DISTRICT'S COMPREHENSIVE PLAN AT LEAST EVERY TEN YEARS
13 TO INCLUDE MEASURABLE OBJECTIVES TO BE MET WITHIN TEN YEARS AFTER THE
14 MODIFICATION AND TO MAKE ANY ADDITIONAL CHANGES THE BOARD DETERMINES ARE
15 NECESSARY TO ACHIEVE THE GOAL OF THE DISTRICT. THE DISTRICT SHALL CONSULT
16 WITH THE DIRECTOR OF WATER RESOURCES WHEN DEVELOPING THE MODIFICATIONS TO THE
17 PLAN.

18 2. DEVELOP AND IMPLEMENT, OR ENTER INTO CONTRACTS, INTERGOVERNMENTAL
19 AGREEMENTS OR MEMORANDA OF UNDERSTANDING FOR, WATER CONSERVATION, REUSE,
20 RECHARGE AND AUGMENTATION PROGRAMS TO MEET THE GOAL OF THE DISTRICT AND THE
21 MEASURABLE OBJECTIVES IN THE DISTRICT'S COMPREHENSIVE PLAN.

22 3. CONSULT WITH, ADVISE AND COOPERATE WITH THE DIRECTOR OF WATER
23 RESOURCES WITH RESPECT TO ACTIONS TAKEN BY THE DIRECTOR THAT AFFECT THE WATER
24 SUPPLY IN THE DISTRICT, INCLUDING THE ADOPTION OF RULES APPLICABLE TO WATER
25 USE IN THE DISTRICT.

26 B. THE DIRECTOR MAY PROVIDE TECHNICAL ASSISTANCE TO THE BOARD IN
27 CARRYING OUT ITS DUTIES UNDER THIS SECTION AND SHALL REVIEW AND COMMENT ON
28 ANY PROPOSED MODIFICATIONS TO THE DISTRICT'S COMPREHENSIVE PLAN.

29 48-6410. Limitation on powers

30 THE BOARD AND THE DISTRICT SHALL NOT DO ANY OF THE FOLLOWING:

31 1. ENGAGE IN THE RETAIL SALE OF POTABLE WATER TO CUSTOMERS IN THE
32 DISTRICT.

33 2. REQUIRE THE USE OF A WATER MEASURING DEVICE FOR ANY WELL IN THE
34 DISTRICT, EXCEPT AS A CONDITION IN A CONTRACT WITH THE DISTRICT.

35 3. IMPOSE MANDATORY CONSERVATION REQUIREMENTS ON PERSONS IN THE
36 DISTRICT.

37 4. REGULATE THE ACQUISITION, USE OR DISPOSAL OF WATER OR RIGHTS TO
38 WATER IN THE DISTRICT.

39 5. REGULATE THE DIVISION OF LANDS INTO UNSUBDIVIDED LANDS AS DEFINED
40 IN SECTION 32-2101 OR INTO FIVE OR FEWER PARCELS OF LAND THAT DO NOT QUALIFY
41 AS SUBDIVIDED LANDS AS DEFINED IN SECTION 32-2101.

42 6. EXERCISE ANY RIGHT OF EMINENT DOMAIN.

43 7. ENGAGE IN THE REGULATION OR ZONING OF SUBDIVIDED LANDS AS DEFINED
44 IN SECTION 32-2101.

1 48-6411. Adequate water supply requirements; notice; objections
2 A. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION AND SECTIONS
3 48-6412 AND 48-6413, A PERSON WHO PROPOSES TO OFFER SUBDIVIDED LANDS, AS
4 DEFINED IN SECTION 32-2101, FOR SALE OR LEASE IN THE DISTRICT SHALL APPLY FOR
5 AND OBTAIN A DETERMINATION OF ADEQUATE WATER SUPPLY FROM THE DIRECTOR
6 PURSUANT TO SECTIONS 45-108 AND 45-108.01 BEFORE PRESENTING THE PLAT FOR
7 APPROVAL TO THE CITY, TOWN OR COUNTY IN WHICH THE LAND IS LOCATED, IF IT IS
8 REQUIRED, AND BEFORE FILING WITH THE STATE REAL ESTATE COMMISSIONER A NOTICE
9 OF INTENTION TO OFFER THE LANDS FOR SALE OR LEASE PURSUANT TO SECTION
10 32-2181, UNLESS THE SUBDIVIDER HAS OBTAINED A WRITTEN COMMITMENT OF WATER
11 SERVICE FOR THE SUBDIVISION FROM A CITY, TOWN OR PRIVATE WATER COMPANY
12 DESIGNATED AS HAVING AN ADEQUATE WATER SUPPLY PURSUANT TO SECTIONS 45-108 AND
13 45-108.01.
14 B. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION AND SECTIONS
15 48-6412 AND 48-6413, THE COUNTY AND A CITY OR TOWN IN THE DISTRICT SHALL NOT
16 APPROVE A SUBDIVISION PLAT FOR A PROPOSED SUBDIVISION IN THE DISTRICT UNLESS
17 ONE OF THE FOLLOWING APPLIES:
18 1. THE DIRECTOR OF WATER RESOURCES HAS DETERMINED THAT THERE IS AN
19 ADEQUATE WATER SUPPLY FOR THE SUBDIVISION PURSUANT TO SECTIONS 45-108 AND
20 45-108.01 AND THE SUBDIVIDER HAS INCLUDED THE REPORT WITH THE PLAT.
21 2. THE SUBDIVIDER HAS OBTAINED A WRITTEN COMMITMENT OF WATER SERVICE
22 FOR THE SUBDIVISION FROM A CITY, TOWN OR PRIVATE WATER COMPANY DESIGNATED AS
23 HAVING AN ADEQUATE WATER SUPPLY BY THE DIRECTOR OF WATER RESOURCES PURSUANT
24 TO SECTIONS 45-108 AND 45-108.01.
25 C. SUBSECTIONS A AND B OF THIS SECTION DO NOT APPLY TO:
26 1. A PROPOSED SUBDIVISION THAT THE DIRECTOR HAS DETERMINED WILL HAVE
27 AN INADEQUATE WATER SUPPLY PURSUANT TO SECTIONS 45-108 AND 45-108.01 IF THE
28 DIRECTOR GRANTS AN EXEMPTION FOR THE SUBDIVISION PURSUANT TO SECTION 48-6412
29 AND THE EXEMPTION HAS NOT EXPIRED OR THE DIRECTOR GRANTS AN EXEMPTION
30 PURSUANT TO SECTION 48-6413.
31 2. A PROPOSED SUBDIVISION THAT RECEIVED FINAL PLAT APPROVAL FROM A
32 CITY, TOWN OR COUNTY BEFORE THE DISTRICT IS ESTABLISHED IF THE PLAT HAS NOT
33 BEEN MATERIALLY CHANGED SINCE IT RECEIVED THE FINAL PLAT APPROVAL. IF
34 CHANGES WERE MADE TO THE PLAT AFTER THE PLAT RECEIVED THE FINAL PLAT
35 APPROVAL, THE DIRECTOR SHALL DETERMINE WHETHER THE CHANGES ARE MATERIAL
36 PURSUANT TO THE RULES ADOPTED BY THE DIRECTOR TO IMPLEMENT SECTION 45-108.
37 IF A CITY, TOWN OR COUNTY APPROVES A PLAT PURSUANT TO THIS SUBSECTION AND THE
38 DIRECTOR OF WATER RESOURCES HAS DETERMINED THAT THERE IS AN INADEQUATE WATER
39 SUPPLY FOR THE SUBDIVISION PURSUANT TO SECTIONS 45-108 AND 45-108.01, THE
40 CITY, TOWN OR COUNTY SHALL NOTE THIS ON THE FACE OF THE PLAT.
41 D. IF THE COUNTY OR A CITY OR TOWN IN THE DISTRICT APPROVES A
42 SUBDIVISION PLAT PURSUANT TO SUBSECTION B OF THIS SECTION, THE PLATTING
43 ENTITY SHALL NOTE ON THE FACE OF THE PLAT THAT THE DIRECTOR OF WATER
44 RESOURCES HAS REPORTED THAT THE SUBDIVISION HAS AN ADEQUATE WATER SUPPLY OR
45 THAT THE SUBDIVIDER HAS OBTAINED A COMMITMENT OF WATER SERVICE FOR THE

1 PROPOSED SUBDIVISION FROM A CITY, TOWN OR PRIVATE WATER COMPANY DESIGNATED AS
2 HAVING AN ADEQUATE WATER SUPPLY PURSUANT TO SECTIONS 45-108 AND 45-108.01.

3 E. IF THE COUNTY OR A CITY OR TOWN IN THE DISTRICT APPROVES A
4 SUBDIVISION PLAT PURSUANT TO AN EXEMPTION GRANTED BY THE DIRECTOR OF WATER
5 RESOURCES PURSUANT TO SECTION 48-6412 OR 48-6413 THE COUNTY, CITY OR TOWN
6 SHALL BOTH:

7 1. GIVE WRITTEN NOTICE OF THE APPROVAL TO THE DIRECTOR OF WATER
8 RESOURCES AND THE DIRECTOR OF ENVIRONMENTAL QUALITY.

9 2. INCLUDE ON THE FACE OF THE PLAT A STATEMENT THAT THE DIRECTOR OF
10 WATER RESOURCES HAS DETERMINED THAT THE WATER SUPPLY FOR THE SUBDIVISION IS
11 INADEQUATE AND A STATEMENT DESCRIBING THE EXEMPTION UNDER WHICH THE PLAT WAS
12 APPROVED, INCLUDING A STATEMENT THAT THE DIRECTOR HAS DETERMINED THAT THE
13 SPECIFIC CONDITIONS OF THE EXEMPTION WERE MET. IF THE DIRECTOR SUBSEQUENTLY
14 INFORMS THE COUNTY, CITY OR TOWN THAT THE SUBDIVISION IS BEING SERVED BY A
15 WATER PROVIDER THAT HAS BEEN DESIGNATED BY THE DIRECTOR AS HAVING AN ADEQUATE
16 WATER SUPPLY PURSUANT TO SECTIONS 45-108 AND 45-108.01, THE COUNTY, CITY OR
17 TOWN SHALL RECORD IN THE COUNTY RECORDER'S OFFICE A STATEMENT DISCLOSING THAT
18 FACT.

19 F. A PERSON WHO IS REQUIRED TO FILE A NOTICE OF INTENTION TO SUBDIVIDE
20 LANDS WITH THE STATE REAL ESTATE COMMISSIONER UNDER SECTION 32-2181 FOR
21 SUBDIVIDED LANDS IN THE DISTRICT SHALL INCLUDE WITH THE NOTICE A REPORT
22 ISSUED BY THE DIRECTOR OF WATER RESOURCES PURSUANT TO SECTION 45-108 STATING
23 THAT THE SUBDIVISION HAS AN ADEQUATE WATER SUPPLY, UNLESS ONE OF THE
24 FOLLOWING APPLIES:

25 1. THE SUBDIVIDER SUBMITTED THE REPORT TO A CITY, TOWN OR COUNTY
26 BEFORE APPROVAL OF THE PLAT BY THE CITY, TOWN OR COUNTY AND THIS HAS BEEN
27 NOTED ON THE FACE OF THE PLAT.

28 2. THE SUBDIVIDER HAS OBTAINED A WRITTEN COMMITMENT OF WATER SERVICE
29 FOR THE SUBDIVISION FROM A CITY, TOWN OR PRIVATE WATER COMPANY DESIGNATED AS
30 HAVING AN ADEQUATE WATER SUPPLY BY THE DIRECTOR OF WATER RESOURCES PURSUANT
31 TO SECTIONS 45-108 AND 45-108.01.

32 3. THE PLAT WAS APPROVED BY THE COUNTY OR A CITY OR TOWN IN THE
33 DISTRICT PURSUANT TO AN EXEMPTION GRANTED BY THE DIRECTOR UNDER SECTION
34 48-6412 AND THE EXEMPTION HAS NOT EXPIRED OR PURSUANT TO AN EXEMPTION GRANTED
35 BY THE DIRECTOR UNDER SECTION 48-6413. IF THE PLAT WAS APPROVED PURSUANT TO
36 AN AUTHORIZED EXEMPTION, THE STATE REAL ESTATE COMMISSIONER SHALL REQUIRE
37 THAT ALL PROMOTIONAL MATERIAL AND CONTRACTS FOR THE SALE OF LOTS IN THE
38 SUBDIVISION ADEQUATELY DISPLAY THE DIRECTOR'S REPORT OR THE DEVELOPER'S BRIEF
39 SUMMARY OF THE REPORT AS APPROVED BY THE COMMISSIONER ON THE PROPOSED WATER
40 SUPPLY FOR THE SUBDIVISION AND A STATEMENT DESCRIBING THE EXEMPTION UNDER
41 WHICH THE SUBDIVISION WAS APPROVED, INCLUDING THE SPECIFIC CONDITIONS OF THE
42 EXEMPTION THAT WERE MET.

43 4. THE SUBDIVISION RECEIVED FINAL PLAT APPROVAL FROM THE CITY, TOWN OR
44 COUNTY BEFORE THE DISTRICT IS ESTABLISHED, AND THERE HAVE BEEN NO MATERIAL
45 CHANGES TO THE PLAT SINCE THE FINAL PLAT APPROVAL. IF CHANGES WERE MADE TO

1 THE PLAT AFTER THE FINAL PLAT APPROVAL, THE DIRECTOR OF WATER RESOURCES SHALL
2 DETERMINE WHETHER THE CHANGES ARE MATERIAL PURSUANT TO THE RULES ADOPTED BY
3 THE DIRECTOR TO IMPLEMENT SECTION 45-108. IF THIS PARAGRAPH APPLIES, THE
4 STATE REAL ESTATE COMMISSIONER SHALL REQUIRE THAT ALL PROMOTIONAL MATERIALS
5 AND CONTRACTS FOR THE SALE OF LOTS IN THE SUBDIVISION ADEQUATELY DISPLAY THE
6 DIRECTOR OF WATER RESOURCES' REPORT OR THE DEVELOPER'S BRIEF SUMMARY OF THE
7 REPORT AS APPROVED BY THE COMMISSIONER ON THE PROPOSED WATER SUPPLY FOR THE
8 SUBDIVISION.

9 G. THE STATE REAL ESTATE COMMISSIONER SHALL DENY ISSUANCE OF A PUBLIC
10 REPORT PURSUANT TO SECTION 32-2183 OR 32-2197.08, WHICHEVER APPLIES, OR THE
11 USE OF ANY EXEMPTION PURSUANT TO SECTION 32-2181.02, SUBSECTION B FOR
12 SUBDIVIDED LANDS OR TIMESHARE PROPERTY IN THE DISTRICT UNLESS ONE OF THE
13 FOLLOWING APPLIES:

14 1. THE DIRECTOR OF WATER RESOURCES HAS REPORTED PURSUANT TO SECTION
15 45-108 THAT THE SUBDIVISION OR TIMESHARE PROPERTY HAS AN ADEQUATE WATER
16 SUPPLY.

17 2. THE SUBDIVIDER OR TIMESHARE PROPERTY HAS OBTAINED A WRITTEN
18 COMMITMENT OF WATER SERVICE FOR THE SUBDIVISION FROM A CITY, TOWN OR PRIVATE
19 WATER COMPANY DESIGNATED AS HAVING AN ADEQUATE WATER SUPPLY BY THE DIRECTOR
20 OF WATER RESOURCES PURSUANT TO SECTIONS 45-108 AND 45-108.01.

21 3. THE PLAT WAS APPROVED PURSUANT TO AN EXEMPTION GRANTED BY THE
22 DIRECTOR UNDER SECTION 48-6412 AND THE EXEMPTION HAS NOT EXPIRED OR PURSUANT
23 TO AN EXEMPTION GRANTED BY THE DIRECTOR UNDER SECTION 48-6413.

24 4. THE SUBDIVISION RECEIVED FINAL PLAT APPROVAL FROM THE CITY, TOWN OR
25 COUNTY BEFORE THE DISTRICT IS ESTABLISHED, AND THERE HAVE BEEN NO MATERIAL
26 CHANGES TO THE PLAT SINCE THE FINAL PLAT APPROVAL. IF CHANGES WERE MADE TO
27 THE PLAT AFTER THE FINAL PLAT APPROVAL, THE DIRECTOR OF WATER RESOURCES SHALL
28 DETERMINE WHETHER THE CHANGES ARE MATERIAL PURSUANT TO THE RULES ADOPTED BY
29 THE DIRECTOR TO IMPLEMENT SECTION 45-108.

30 H. ON RECEIPT OF AN APPLICATION FOR A WATER REPORT FOR A SUBDIVISION
31 IN THE DISTRICT OR AN APPLICATION BY A CITY, TOWN OR PRIVATE WATER COMPANY IN
32 THE DISTRICT TO BE DESIGNATED AS HAVING AN ADEQUATE WATER SUPPLY UNDER
33 SECTIONS 45-108 AND 45-108.01, THE DIRECTOR SHALL PUBLISH NOTICE OF THE
34 APPLICATION ONCE EACH WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF
35 GENERAL CIRCULATION IN THE DISTRICT. THE FIRST PUBLICATION SHALL OCCUR
36 WITHIN FIFTEEN DAYS AFTER THE APPLICATION IS DETERMINED OR DEEMED TO BE
37 ADMINISTRATIVELY COMPLETE. IF THE APPLICATION IS SUBSTANTIALLY MODIFIED
38 AFTER NOTICE OF THE APPLICATION IS GIVEN PURSUANT TO THIS SUBSECTION, THE
39 DIRECTOR SHALL GIVE NOTICE OF THE APPLICATION AS MODIFIED IN THE MANNER
40 PRESCRIBED BY THIS SUBSECTION. THE FIRST PUBLICATION OF ANY SUBSEQUENT
41 NOTICE SHALL OCCUR WITHIN FIFTEEN DAYS AFTER THE MODIFIED APPLICATION IS
42 DETERMINED OR DEEMED TO BE ADMINISTRATIVELY COMPLETE.

43 I. NOTICE PURSUANT TO SUBSECTION H OF THIS SECTION SHALL STATE THAT
44 WRITTEN OBJECTIONS TO THE APPLICATION MAY BE FILED WITH THE DIRECTOR BY
45 RESIDENTS AND LANDOWNERS IN THE DISTRICT WITHIN FIFTEEN DAYS AFTER THE LAST

1 PUBLICATION OF NOTICE. AN OBJECTION SHALL STATE THE NAME AND MAILING ADDRESS
2 OF THE OBJECTOR AND BE SIGNED BY THE OBJECTOR, THE OBJECTOR'S AGENT OR THE
3 OBJECTOR'S ATTORNEY. THE GROUNDS FOR OBJECTION ARE LIMITED TO WHETHER THE
4 APPLICATION MEETS THE CRITERIA FOR DETERMINING AN ADEQUATE WATER SUPPLY SET
5 FORTH IN SECTIONS 45-108 AND 45-108.01. THE OBJECTION SHALL CLEARLY SET
6 FORTH REASONS WHY THE APPLICATION DOES NOT MEET THE CRITERIA.

7 J. IN APPROPRIATE CASES, INCLUDING CASES IN WHICH A PROPER WRITTEN
8 OBJECTION TO THE APPLICATION HAS BEEN FILED, AN ADMINISTRATIVE HEARING MAY BE
9 HELD BEFORE THE DIRECTOR'S DECISION ON THE APPLICATION IF THE DIRECTOR DEEMS
10 A HEARING NECESSARY. THIRTY DAYS BEFORE THE DATE OF THE HEARING, THE
11 DIRECTOR SHALL GIVE NOTICE OF THE HEARING TO THE APPLICANT AND TO ANY PERSON
12 WHO FILED A PROPER WRITTEN OBJECTION TO THE APPLICATION. THE HEARING SHALL
13 BE SCHEDULED FOR AT LEAST SIXTY DAYS BUT NOT MORE THAN NINETY DAYS AFTER THE
14 EXPIRATION OF THE TIME IN WHICH TO FILE OBJECTIONS.

15 K. IF THE APPLICATION IS FOR A WATER REPORT:

16 1. IF THE DIRECTOR DETERMINES THAT AN ADEQUATE WATER SUPPLY EXISTS FOR
17 THE PROPOSED USE, THE DIRECTOR SHALL ISSUE A WATER REPORT STATING THAT THE
18 WATER SUPPLY FOR THE SUBDIVISION IS ADEQUATE.

19 2. IF THE DIRECTOR DETERMINES THAT AN ADEQUATE WATER SUPPLY DOES NOT
20 EXIST, THE DIRECTOR SHALL ISSUE A WATER REPORT STATING THAT THE WATER SUPPLY
21 FOR THE SUBDIVISION IS INADEQUATE.

22 L. IF THE APPLICATION IS FOR A DESIGNATION OF ADEQUATE WATER SUPPLY:

23 1. IF THE DIRECTOR DETERMINES THAT AN ADEQUATE WATER SUPPLY EXISTS FOR
24 THE PROPOSED USE, THE DIRECTOR SHALL APPROVE THE APPLICATION.

25 2. IF THE DIRECTOR DETERMINES THAT AN ADEQUATE WATER SUPPLY DOES NOT
26 EXIST, THE DIRECTOR SHALL DENY THE APPLICATION.

27 M. THE APPLICANT OR A PERSON WHO CONTESTED THE APPLICATION BY FILING A
28 PROPER OBJECTION PURSUANT TO SUBSECTION I OF THIS SECTION MAY SEEK JUDICIAL
29 REVIEW OF THE FINAL DECISION OF THE DIRECTOR AS PROVIDED IN SECTION 45-114,
30 SUBSECTION B IN THE SUPERIOR COURT.

31 N. SECTION 45-114, SUBSECTIONS A AND B GOVERN ADMINISTRATIVE
32 PROCEEDINGS, REHEARINGS OR REVIEWS AND JUDICIAL REVIEWS OF FINAL DECISIONS OF
33 THE DIRECTOR UNDER THIS SECTION. IF AN ADMINISTRATIVE HEARING IS HELD, IT
34 SHALL BE CONDUCTED IN THE DISTRICT.

35 O. THE DISTRICT MAY BRING AN ENFORCEMENT ACTION IN SUPERIOR COURT TO
36 ENFORCE THIS SECTION.

37 48-6412. Exemption from adequate water supply requirements
38 based on substantial capital investment;
39 application; criteria; expiration

40 A. IF THE DIRECTOR DETERMINES PURSUANT TO SECTIONS 45-108 AND
41 45-108.01 THAT AN ADEQUATE WATER SUPPLY DOES NOT EXIST FOR A PROPOSED
42 SUBDIVISION IN THE DISTRICT, THE SUBDIVIDER MAY APPLY TO THE DIRECTOR FOR AN
43 EXEMPTION FROM THE WATER ADEQUACY REQUIREMENTS IN SECTION 48-6411,
44 SUBSECTIONS A AND B ON A FORM PRESCRIBED BY THE DIRECTOR WITHIN ONE YEAR
45 AFTER THE DATE THE DISTRICT IS ESTABLISHED. THE DIRECTOR SHALL GRANT THE

1 EXEMPTION IF THE SUBDIVIDER DEMONSTRATES TO THE SATISFACTION OF THE DIRECTOR
2 THAT ALL OF THE FOLLOWING APPLY:

3 1. THE SUBDIVIDER HAS MADE SUBSTANTIAL CAPITAL INVESTMENT TOWARD THE
4 CONSTRUCTION OF THE PROPOSED SUBDIVISION BEFORE THE DATE THE DISTRICT WAS
5 ESTABLISHED. FOR THE PURPOSES OF THIS PARAGRAPH, SUBSTANTIAL CAPITAL
6 INVESTMENT MAY INCLUDE CONSTRUCTION COSTS, SITE PREPARATION COSTS,
7 CONSTRUCTION OF OFF-SITE IMPROVEMENTS AND CONVERSION OR REMODELING COSTS FOR
8 EXISTING STRUCTURES, AS WELL AS PLANNING AND DESIGN COSTS ASSOCIATED WITH
9 THOSE ITEMS, BUT DOES NOT INCLUDE THE ORIGINAL COST OF ACQUIRING THE
10 PROPERTY.

11 2. THE SUBDIVIDER WAS NOT AWARE OF THE PROPOSED REQUIREMENT FOR AN
12 ADEQUATE WATER SUPPLY AT THE TIME THE INVESTMENT WAS MADE.

13 3. THE PROPOSED SUBDIVISION COMPLIED IN ALL OTHER RESPECTS WITH
14 EXISTING STATE LAWS AS OF THE DATE THE DISTRICT WAS ESTABLISHED.

15 B. IF THE DIRECTOR GRANTS AN EXEMPTION PURSUANT TO THIS SECTION:

16 1. THE EXEMPTION EXPIRES FIVE YEARS AFTER THE DATE THE EXEMPTION IS
17 GRANTED UNLESS, BEFORE THAT DATE, AT LEAST ONE LOT IN THE SUBDIVISION IS SOLD
18 TO A BONA FIDE PURCHASER OR THE DIRECTOR EXTENDS THE EXEMPTION PURSUANT TO
19 PARAGRAPH 2 OF THIS SUBSECTION.

20 2. THE DIRECTOR MAY EXTEND THE PERIOD OF THE EXEMPTION FOR NOT MORE
21 THAN TWO SUCCESSIVE FIVE-YEAR PERIODS IF THE SUBDIVIDER APPLIES FOR AN
22 EXTENSION BEFORE THE EXEMPTION EXPIRES AND DEMONSTRATES TO THE SATISFACTION
23 OF THE DIRECTOR THAT THE SUBDIVIDER HAS MADE MATERIAL PROGRESS IN DEVELOPING
24 THE SUBDIVISION, BUT THAT SALES OF PARCELS IN THE SUBDIVISION HAVE BEEN
25 DELAYED FOR REASONS OUTSIDE THE CONTROL OF THE SUBDIVIDER.

26 C. IF AN EXEMPTION GRANTED UNDER THIS SECTION EXPIRES, ANY PUBLIC
27 REPORT ISSUED FOR THE SUBDIVISION BY THE STATE REAL ESTATE COMMISSIONER
28 PURSUANT TO SECTION 32-2183 EXPIRES AND THE SUBDIVIDER SHALL NOT SELL ANY
29 LOTS IN THE SUBDIVISION UNLESS BOTH OF THE FOLLOWING APPLY:

30 1. THE SUBDIVIDER FILES WITH THE STATE REAL ESTATE COMMISSIONER A NEW
31 NOTICE OF INTENTION TO SUBDIVIDE LANDS PURSUANT TO SECTION 32-2181 AND
32 COMPLIES WITH SECTION 48-6411.

33 2. THE STATE REAL ESTATE COMMISSIONER ISSUES A NEW PUBLIC REPORT FOR
34 THE SUBDIVISION PURSUANT TO SECTION 32-2183.

35 D. SECTION 45-114, SUBSECTIONS A AND B GOVERN ADMINISTRATIVE
36 PROCEEDINGS, REHEARING OR REVIEW AND JUDICIAL REVIEW OF FINAL DECISIONS OF
37 THE DIRECTOR UNDER THIS SECTION.

38 48-6413. Exemption from adequate water supply requirements
39 based on an adequate water supply within twenty
40 years; criteria; application

41 A. A SUBDIVIDER MAY APPLY TO THE DIRECTOR FOR AN EXEMPTION FROM THE
42 WATER ADEQUACY REQUIREMENTS IN SECTION 48-6411, SUBSECTIONS A AND B PURSUANT
43 TO THIS SECTION ON A FORM PRESCRIBED BY THE DIRECTOR. THE DIRECTOR SHALL
44 GRANT THE EXEMPTION IF THE SUBDIVIDER DEMONSTRATES TO THE SATISFACTION OF THE

1 DIRECTOR THAT THE SUBDIVISION WILL BE SERVED BY A WATER SUPPLY PROJECT TO
2 WHICH BOTH OF THE FOLLOWING APPLY:

3 1. THE SUBDIVIDER HAS DEMONSTRATED FINANCIAL CAPABILITY PURSUANT TO
4 SECTION 45-108.01, BUT THE WATER SUPPLY PROJECT WILL NOT BE CAPABLE OF
5 SERVING THE SUBDIVISION WITH SUFFICIENT WATER TO MEET ITS DEMANDS IN A TIMELY
6 MANNER BECAUSE OF ONE OF THE FOLLOWING:

7 (a) THE PHYSICAL WORKS FOR DELIVERING WATER TO THE SUBDIVISION ARE NOT
8 COMPLETE BUT ARE UNDER CONSTRUCTION AND WILL BE COMPLETED WITHIN TWENTY
9 YEARS.

10 (b) THE SUBDIVISION WILL BE SERVED COLORADO RIVER WATER BY A WATER
11 PROVIDER THAT DOES NOT CURRENTLY HAVE THE LEGAL RIGHT TO SERVE THE WATER TO
12 THE SUBDIVISION, BUT THE WATER PROVIDER HAS AN EXISTING PERMANENT CONTRACT
13 FOR THE COLORADO RIVER WATER AND WILL HAVE THE LEGAL RIGHT TO SERVE THE WATER
14 TO THE SUBDIVISION WITHIN TWENTY YEARS.

15 2. THE SUBDIVISION WILL HAVE AN ADEQUATE WATER SUPPLY WHEN THE
16 CONSTRUCTION OF THE PHYSICAL WORKS IS COMPLETED OR THE WATER SUPPLY IS
17 LEGALLY AVAILABLE TO SERVE THE SUBDIVISION, WHICHEVER APPLIES, AND THE
18 INTERIM WATER SUPPLY THAT WILL SERVE THE SUBDIVISION MEETS ALL OF THE
19 CRITERIA FOR AN ADEQUATE WATER SUPPLY UNDER SECTION 45-108.01 EXCEPT THAT THE
20 INTERIM WATER SUPPLY WILL NOT BE AVAILABLE FOR ONE HUNDRED YEARS.

21 B. SECTION 45-114, SUBSECTIONS A AND B GOVERN ADMINISTRATIVE
22 PROCEEDINGS, REHEARING OR REVIEW AND JUDICIAL REVIEW OF FINAL DECISIONS OF
23 THE DIRECTOR UNDER THIS SECTION.

24 48-6414. Inapplicability of other adequate water supply
25 provisions to proposed subdivisions in the district

26 SECTION 9-463.01, SUBSECTIONS J THROUGH Q, SECTION 11-806.01,
27 SUBSECTIONS F THROUGH I, SECTION 32-2181, SUBSECTION F, SECTION 32-2183,
28 SUBSECTION F, SECTION 32-2197.08, SUBSECTION D, SECTION 45-108, SUBSECTION H,
29 SECTION 45-108.01, SECTION 45-108.02 AND SECTION 45-108.03 DO NOT APPLY TO
30 PROPOSED SUBDIVISIONS IN THE DISTRICT.

31 48-6415. District and municipal water delivery systems in
32 district eligible to receive financial assistance
33 from water supply development revolving fund

34 THE DISTRICT IS DEEMED TO BE A WATER PROVIDER FOR THE PURPOSES OF TITLE
35 49, CHAPTER 8. THE DISTRICT AND MUNICIPAL WATER DELIVERY SYSTEMS SERVING
36 WATER IN THE DISTRICT ARE ELIGIBLE TO APPLY FOR AND RECEIVE FINANCIAL
37 ASSISTANCE FROM MONIES IN THE WATER SUPPLY DEVELOPMENT REVOLVING FUND
38 ESTABLISHED UNDER SECTION 49-1271 NOTWITHSTANDING SECTION 49-1273.
39 SUBSECTION C.

40 ARTICLE 2. FINANCIAL PROVISIONS

41 48-6431. Financial authority of district

42 THE DISTRICT MAY GENERATE MONIES FOR THE BENEFIT OF THE DISTRICT BY ANY
43 OF THE FOLLOWING:

- 44 1. THE TRANSACTION PRIVILEGE TAX LEVIED PURSUANT TO SECTION 48-6432.
45 2. THE SALE OF WATER OR WATER RIGHTS THAT ARE OWNED BY THE DISTRICT.

1 3. USER FEES FOR SERVICES PROVIDED BY THE DISTRICT AND THAT ARE AGREED
2 TO BY THOSE USERS.

3 4. REVENUE BONDS SOLD BY AND DEBT REPAYED TO THE DISTRICT.

4 5. THE RECEIPT OF GIFTS, GRANTS AND DONATIONS RECEIVED FROM ANY PUBLIC
5 OR PRIVATE SOURCE.

6 48-6432. Transaction privilege tax; administration; hearing;
7 notice

8 A. IF APPROVED BY THE VOTERS PURSUANT TO SECTION 48-6406, THE BOARD
9 MAY LEVY A TRANSACTION PRIVILEGE TAX ON THE BUSINESS OF OPERATING A MUNICIPAL
10 WATER DELIVERY SYSTEM IN THE DISTRICT PURSUANT TO THIS SECTION. THE TAX
11 SHALL NOT BE LEVIED AT A RATE OF MORE THAN FIFTY CENTS PER THOUSAND GALLONS
12 OF WATER DELIVERED TO CUSTOMERS IN THE DISTRICT, EXCEPT THAT WATER DELIVERED
13 TO A CUSTOMER FOR RESALE IS EXEMPT FROM THE TAX. THE DISTRICT SHALL NOTIFY
14 THE DEPARTMENT OF REVENUE OF THE AMOUNT OF THE TAX LEVIED PURSUANT TO THIS
15 SUBSECTION.

16 B. THE OWNER OR OPERATOR OF A MUNICIPAL WATER DELIVERY SYSTEM SHALL
17 PAY THE TAX LEVIED PURSUANT TO THIS SECTION TO THE DEPARTMENT OF REVENUE AT
18 THE SAME TIME AS PAYING THE TAX ON POTABLE WATER PURSUANT TO SECTION 42-5302.
19 IF THE SYSTEM FOR ANY REASON DOES NOT PAY THE TRANSACTION PRIVILEGE TAX, THE
20 TAX IS DUE AND PAYABLE TO THE DEPARTMENT OF REVENUE AND IS DELINQUENT IF NOT
21 PAID AS PROVIDED IN SECTION 42-5014, SUBSECTION A.

22 C. A TAX IMPOSED PURSUANT TO THIS SECTION IS IN ADDITION TO THE TAX ON
23 POTABLE WATER IMPOSED BY SECTION 42-5302 AND ANY COUNTY, CITY, TOWN OR OTHER
24 LOCAL TRANSACTION PRIVILEGE TAX.

25 D. UNLESS THE CONTEXT OTHERWISE REQUIRES, SECTION 42-5303 GOVERNS THE
26 ADMINISTRATION, COLLECTION AND ENFORCEMENT OF A TAX IMPOSED UNDER THIS
27 SECTION.

28 E. EACH MONTH THE STATE TREASURER SHALL REMIT TO THE DISTRICT THE NET
29 REVENUES COLLECTED UNDER THIS SECTION DURING THE PRECEDING MONTH. THE
30 DISTRICT SHALL DEPOSIT THE MONIES IN THE DISTRICT'S GENERAL FUND.

31 F. THE BOARD SHALL HOLD A PUBLIC HEARING BEFORE LEVYING OR INCREASING
32 A TAX PURSUANT TO THIS SECTION. ANY RESIDENT OR MUNICIPAL WATER DELIVERY
33 SYSTEM IN THE DISTRICT MAY APPEAR AND BE HEARD IN FAVOR OF OR AGAINST ANY
34 PROPOSED TAX LEVY OR TAX INCREASE.

35 G. EXCEPT AS PROVIDED IN SUBSECTION H OF THIS SECTION, THE BOARD SHALL
36 PUBLISH A NOTICE OF A PUBLIC HEARING HELD PURSUANT TO SUBSECTION F OF THIS
37 SECTION THAT MEETS THE FOLLOWING REQUIREMENTS:

38 1. THE NOTICE SHALL BE PUBLISHED TWICE IN A NEWSPAPER OF GENERAL
39 CIRCULATION IN THE DISTRICT. THE FIRST PUBLICATION SHALL BE AT LEAST
40 FOURTEEN BUT NOT MORE THAN TWENTY DAYS BEFORE THE DATE OF THE HEARING. THE
41 SECOND PUBLICATION SHALL BE AT LEAST SEVEN BUT NOT MORE THAN TEN DAYS BEFORE
42 THE DATE OF THE HEARING.

43 2. THE NOTICE SHALL BE PUBLISHED IN A LOCATION OTHER THAN THE
44 CLASSIFIED OR LEGAL ADVERTISING SECTION OF THE NEWSPAPER IN WHICH IT IS
45 PUBLISHED.

1 3. THE NOTICE SHALL BE AT LEAST ONE-FOURTH PAGE IN SIZE AND SHALL BE
2 SURROUNDED BY A SOLID BLACK BORDER AT LEAST ONE-EIGHTH INCH IN WIDTH.

3 4. THE NOTICE SHALL BE IN THE FOLLOWING FORM, WITH THE "PUBLIC HEARING
4 NOTICE OF TAX INCREASE ON MUNICIPAL WATER DELIVERY SYSTEMS" HEADLINE IN AT
5 LEAST EIGHTEEN POINT TYPE:

6 PUBLIC HEARING NOTICE OF TAX INCREASE
7 ON MUNICIPAL WATER DELIVERY SYSTEMS

8 IN COMPLIANCE WITH SECTION 48-6432, ARIZONA REVISED
9 STATUTES, THE UPPER SAN PEDRO WATER DISTRICT ("DISTRICT") IS
10 NOTIFYING RESIDENTS AND MUNICIPAL WATER DELIVERY SYSTEMS IN THE
11 DISTRICT OF ITS INTENTION TO (LEVY A) (INCREASE THE) TRANSACTION
12 PRIVILEGE TAX IMPOSED ON THE BUSINESS OF OPERATING A MUNICIPAL
13 WATER DELIVERY SYSTEM IN THE DISTRICT. THE DISTRICT IS
14 PROPOSING TO (LEVY A TAX OF _____ CENTS PER THOUSAND GALLONS OF
15 WATER DELIVERED TO CUSTOMERS IN THE DISTRICT) (RAISE THE TAX BY
16 _____ CENTS PER THOUSAND GALLONS OF WATER DELIVERED TO CUSTOMERS
17 IN THE DISTRICT OR _____ %).

18 ALL INTERESTED PERSONS ARE INVITED TO ATTEND THE PUBLIC
19 HEARING ON THE TAX (LEVY) (INCREASE) THAT IS SCHEDULED TO BE
20 HELD _____ (DATE AND TIME) AT _____ (LOCATION).

21 H. INSTEAD OF PUBLISHING THE NOTICE PRESCRIBED BY SUBSECTION G OF THIS
22 SECTION, THE BOARD MAY MAIL THE NOTICE DESCRIBED IN SUBSECTION G, PARAGRAPH 4
23 OF THIS SECTION TO ALL REGISTERED VOTERS IN THE DISTRICT AT LEAST TEN BUT NOT
24 MORE THAN TWENTY DAYS BEFORE THE DATE OF THE HEARING PURSUANT TO SUBSECTION F
25 OF THIS SECTION.

26 I. IN ADDITION TO PUBLISHING THE PUBLIC HEARING ON TAXATION NOTICE
27 UNDER SUBSECTION G OF THIS SECTION OR MAILING THE NOTICE UNDER SUBSECTION H
28 OF THIS SECTION, THE BOARD SHALL ISSUE A PRESS RELEASE CONTAINING THE PUBLIC
29 HEARING ON TAXATION NOTICE.

30 J. THE BOARD SHALL CONSIDER A MOTION TO LEVY OR INCREASE A TRANSACTION
31 PRIVILEGE TAX BY ROLL CALL VOTE.

32 48-6433. Revenue bonds; issuance; hearing; notice

33 A. THE BOARD MAY AUTHORIZE, ISSUE AND SELL NEGOTIABLE REVENUE BONDS
34 FOR ANY LAWFUL DISTRICT PURPOSE. THE BONDS MAY BE IN ONE OR MORE SERIES AND
35 MAY BE SECURED BY REVENUES RECEIVED PURSUANT TO THIS ARTICLE. THE BONDS MAY
36 HAVE DIFFERENT DATES, BE PAYABLE IN A MEDIUM AND AT DIFFERENT PLACES, HAVE
37 RESERVE OR SINKING FUNDS, CARRY REGISTRATION PRIVILEGES, BEAR A RATE OR RATES
38 OF INTEREST THAT MAY VARY FROM TIME TO TIME BUT SHALL NOT EXCEED TWELVE PER
39 CENT PER YEAR, AND CONTAIN TERMS, COVENANTS AND CONDITIONS. BE IN A FORM, BE
40 EXECUTED IN A MANNER AND BE SOLD AT PRICES AS THE BOARD MAY PRESCRIBE. THE
41 ISSUER MAY ASSIGN ITS INTEREST IN ANY OR ALL REVENUES, CONTRACTS AND RESERVE
42 OR SINKING FUNDS SECURING ANY BONDS TO A BANK OR TRUST COMPANY DOING BUSINESS
43 IN THIS STATE THAT ACTS AS INDENTURE TRUSTEE. THE RESOLUTION OF THE BOARD OR
44 THE TRUST INDENTURE AUTHORIZING THE ISSUANCE OF THE BONDS MAY CONTAIN SUCH
45 COVENANTS, CONDITIONS AND PROVISIONS AS THE BOARD DEEMS NECESSARY TO SECURE

1 THE BONDS. THE BOARD IS ALSO AUTHORIZED TO PURCHASE CREDIT OR LIQUIDITY
2 ENHANCEMENT AND TO SPEND BOND PROCEEDS OR CONTRACT REVENUES TO AID SUCH
3 PURCHASE. THE BOARD IS AUTHORIZED, IN ITS DISCRETION, TO EMPLOY SUCH
4 CONSULTANTS, EXPERTS OR AGENTS AND TO SPEND BOND PROCEEDS OR CONTRACT
5 REVENUES TO PAY ANY AND ALL FEES AND EXPENSES OF BOND ISSUANCE AND
6 ADMINISTRATION.

7 B. BONDS ISSUED UNDER THIS SECTION SHALL BE LEGAL INVESTMENTS FOR ALL
8 BANKS, TRUST COMPANIES AND INSURANCE COMPANIES ORGANIZED AND OPERATING UNDER
9 THE LAWS OF THIS STATE. THE BONDS AND INTEREST ON THE BONDS SHALL BE PAID
10 SOLELY IN ACCORDANCE WITH THEIR TERMS AND SHALL NOT BE OBLIGATIONS GENERAL,
11 SPECIAL OR OTHERWISE OF THIS STATE OR ANY POLITICAL SUBDIVISION OF THIS STATE
12 OTHER THAN THE ISSUER. THE ISSUER SHALL NOT BE LIABLE IN ANY EVENT FOR THE
13 PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS FROM ANY SOURCE OF
14 REVENUES OTHER THAN THOSE PLEDGED FOR THE PAYMENT OF THE BONDS. THE HOLDER
15 OF THE BONDS SHALL NEVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING
16 POWER OF THIS STATE, ANY POLITICAL SUBDIVISION OF THIS STATE OR THE ISSUER TO
17 PROVIDE FOR PAYMENT OF THE BONDS OR TO PAY ANY CLAIM ARISING OF ANY NATURE
18 WITH RESPECT TO THE ISSUANCE OR SALE OF THE BONDS. THE BONDS SHALL NEVER BE
19 CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF
20 ANY CONSTITUTIONAL OR STATUTORY DEBT OR SPENDING LIMITATIONS.

21 C. THE BOARD SHALL HOLD A PUBLIC HEARING BEFORE ISSUING BONDS PURSUANT
22 TO THIS SECTION. ANY RESIDENT IN THE DISTRICT MAY APPEAR AND BE HEARD IN
23 FAVOR OF OR AGAINST ANY PROPOSED BONDS.

24 D. EXCEPT AS PROVIDED IN SUBSECTION E OF THIS SECTION, THE BOARD SHALL
25 PUBLISH A NOTICE OF A PUBLIC HEARING HELD PURSUANT TO SUBSECTION C OF THIS
26 SECTION THAT MEETS THE FOLLOWING REQUIREMENTS:

27 1. THE NOTICE SHALL BE PUBLISHED TWICE IN A NEWSPAPER OF GENERAL
28 CIRCULATION IN THE DISTRICT. THE FIRST PUBLICATION SHALL BE AT LEAST
29 FOURTEEN BUT NOT MORE THAN TWENTY DAYS BEFORE THE DATE OF THE HEARING. THE
30 SECOND PUBLICATION SHALL BE AT LEAST SEVEN BUT NOT MORE THAN TEN DAYS BEFORE
31 THE DATE OF THE HEARING.

32 2. THE NOTICE SHALL BE PUBLISHED IN A LOCATION OTHER THAN THE
33 CLASSIFIED OR LEGAL ADVERTISING SECTION OF THE NEWSPAPER IN WHICH IT IS
34 PUBLISHED.

35 3. THE NOTICE SHALL BE AT LEAST ONE-FOURTH PAGE IN SIZE AND SHALL BE
36 SURROUNDED BY A SOLID BLACK BORDER AT LEAST ONE-EIGHTH INCH IN WIDTH.

37 4. THE NOTICE SHALL BE IN THE FOLLOWING FORM, WITH THE "PUBLIC HEARING
38 NOTICE OF BOND ISSUANCE" HEADLINE IN AT LEAST EIGHTEEN POINT TYPE:

39 PUBLIC HEARING NOTICE OF BOND ISSUANCE
40 IN COMPLIANCE WITH SECTION 48-6433, ARIZONA REVISED
41 STATUTES, THE UPPER SAN PEDRO WATER DISTRICT ("DISTRICT") IS
42 NOTIFYING RESIDENTS IN THE DISTRICT OF ITS INTENTION TO ISSUE
43 BONDS. THE DISTRICT IS PROPOSING TO ISSUE UP TO \$ _____
44 IN BONDS TO BE SECURED BY REVENUE FROM _____ (SOURCE OF
45 REVENUE).

1 ALL INTERESTED PERSONS ARE INVITED TO ATTEND THE PUBLIC
2 HEARING ON THE ISSUANCE OF BONDS THAT IS SCHEDULED TO BE HELD
3 _____ (DATE AND TIME) AT _____ (LOCATION).

4 E. INSTEAD OF PUBLISHING THE NOTICE PRESCRIBED BY SUBSECTION D OF THIS
5 SECTION, THE BOARD MAY MAIL THE NOTICE DESCRIBED IN SUBSECTION D, PARAGRAPH 4
6 OF THIS SECTION TO ALL REGISTERED VOTERS IN THE DISTRICT AT LEAST TEN BUT NOT
7 MORE THAN TWENTY DAYS BEFORE THE DATE OF THE HEARING PURSUANT TO SUBSECTION C
8 OF THIS SECTION.

9 F. IN ADDITION TO PUBLISHING THE PUBLIC HEARING NOTICE UNDER
10 SUBSECTION D OF THIS SECTION OR MAILING THE NOTICE UNDER SUBSECTION E OF THIS
11 SECTION, THE BOARD SHALL ISSUE A PRESS RELEASE CONTAINING THE PUBLIC HEARING
12 ON BOND ISSUANCE NOTICE.

13 48-6434. Administrative and operations budgets; annual
14 statement and audit

15 A. ON OR BEFORE JULY 1 OF EACH YEAR, THE DISTRICT SHALL ADOPT AN
16 ADMINISTRATIVE BUDGET FOR THE NEXT FISCAL YEAR. THE BUDGET SHALL CONSIST OF
17 A COMPLETE STATEMENT OF ADMINISTRATIVE EXPENDITURES FROM ALL MONIES DURING
18 THE PAST FISCAL YEAR AND AN ESTIMATE OF THE DIFFERENT AMOUNTS THAT MAY BE
19 DEEMED NECESSARY TO MEET ADMINISTRATIVE REQUIREMENTS OF THE DISTRICT FOR THE
20 NEXT FISCAL YEAR, FIXING THE AMOUNTS PROPOSED FOR ALL RECURRING ITEMS OF
21 EXPENSE AND AN AMOUNT FOR CONTINGENCIES OR EMERGENCIES. NO ADMINISTRATIVE
22 EXPENDITURES MAY BE MADE IN EXCESS OF THE TOTAL AMOUNT OF THE BUDGET.
23 ECONOMIES RESULTING IN REMAINING BALANCES FOR ANY FISCAL YEAR SHALL BE
24 AVAILABLE FOR SUBSEQUENT ADMINISTRATIVE OR OPERATING PURPOSES.

25 B. THE DISTRICT SHALL ALSO PREPARE AN OPERATION BUDGET FOR EACH FISCAL
26 YEAR COVERING OPERATIONS AND INCLUDING CAPITAL ITEMS. THE BUDGET SHALL
27 CONSIST OF A FULL AND COMPLETE STATEMENT OF ALL INCOMING RECEIPTS AND
28 EXPENDITURES FOR THE PAST FISCAL YEAR AND AN ESTIMATE OF ANTICIPATED INCOME
29 AND EXPENDITURES FOR THE NEXT FISCAL YEAR. THE BUDGET SHALL ALSO GIVE A
30 COMPLETE ASSET AND LIABILITY STATEMENT AND STATEMENT OF ALL BOND OBLIGATIONS,
31 TOGETHER WITH AN ITEMIZED STATEMENT OF CASH ON HAND, COMMITMENTS, RESERVES
32 AND OBLIGATIONS ANTICIPATED FOR THE NEXT FISCAL YEAR, TOGETHER WITH SUCH
33 OTHER INFORMATION TO PROVIDE A FULL AND COMPLETE DISCLOSURE OF THE CURRENT
34 FINANCIAL CONDITION OF THE DISTRICT.

35 C. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE BOARD SHALL MAKE A
36 VERIFIED STATEMENT OF THE FINANCIAL CONDITION OF THE DISTRICT AS OF JUNE 30
37 OF THE PRECEDING FISCAL YEAR, SHOWING PARTICULARLY THE RECEIPTS AND
38 DISBURSEMENTS DURING THE FISCAL YEAR AND THE SOURCE OF THE RECEIPTS AND THE
39 PURPOSE OF THE DISBURSEMENTS.

40 D. WITHIN NINETY DAYS AFTER THE CLOSE OF EACH FISCAL YEAR, THE
41 DISTRICT SHALL CAUSE AN AUDIT TO BE MADE OF THE MONIES OF THE DISTRICT BY A
42 CERTIFIED PUBLIC ACCOUNTANT. THE BOARD SHALL FILE A COPY OF THE AUDIT WITH
43 THE AUDITOR GENERAL. THE AUDITOR GENERAL MAY MAKE SUCH FURTHER AUDITS AND
44 EXAMINATIONS AS THE AUDITOR GENERAL DEEMS NECESSARY AND MAY TAKE APPROPRIATE
45 ACTION RELATING TO THE AUDIT PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 10.1.

1 IF THE AUDITOR GENERAL TAKES NO OFFICIAL ACTION WITHIN THIRTY DAYS AFTER THE
2 AUDIT IS FILED, THE AUDIT IS DEEMED SUFFICIENT. THE BOARD SHALL PAY ANY FEES
3 AND COSTS OF THE CERTIFIED PUBLIC ACCOUNTANT AND AUDITOR GENERAL UNDER THIS
4 SECTION FROM THE GENERAL FUND OF THE DISTRICT.

5 48-6435. Annual report

6 A. THE DISTRICT SHALL MAKE AND SUBMIT TO THE PRESIDENT OF THE SENATE
7 AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES ON OR BEFORE DECEMBER 1 OF
8 EACH YEAR A REPORT CONTAINING A FULL AND COMPLETE DESCRIPTION OF ALL ACTIONS
9 TAKEN BY THE DISTRICT DURING THE PRECEDING FISCAL YEAR TO MEET THE MEASURABLE
10 OBJECTIVES INCLUDED IN THE DISTRICT'S COMPREHENSIVE PLAN, INCLUDING ALL OF
11 THE FOLLOWING:

12 1. THE AMOUNT AND TYPE OF WATER USED BY THE DISTRICT DURING THE YEAR
13 FOR EACH RECHARGE, AUGMENTATION OR OTHER PROJECT IMPLEMENTED BY THE DISTRICT
14 DURING THE YEAR.

15 2. A DESCRIPTION OF ALL PROJECTS IMPLEMENTED OR PARTIALLY IMPLEMENTED
16 DURING THE YEAR.

17 3. A DESCRIPTION OF ALL PERMITS APPLIED FOR OR RECEIVED BY THE
18 DISTRICT DURING THE YEAR.

19 4. A DESCRIPTION OF ALL PROGRAMS ADOPTED BY THE DISTRICT DURING THE
20 YEAR.

21 5. A DESCRIPTION OF THE DISTRICT'S FINANCES.

22 6. PROGRESS MADE BY THE DISTRICT DURING THE YEAR TOWARD ACHIEVING THE
23 DISTRICT'S GOAL AS DESCRIBED IN SECTION 48-6403, SUBSECTION B AND THE
24 MEASURABLE OBJECTIVES FOR ACHIEVING THE GOAL AS ADOPTED IN THE DISTRICT'S
25 MOST RECENT COMPREHENSIVE PLAN.

26 B. THE DISTRICT SHALL PROVIDE A COPY OF THE REPORT TO THE DIRECTOR OF
27 THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.

28 48-6436. Special audit; report

29 A. THE AUDITOR GENERAL SHALL PERFORM A SPECIAL AUDIT OF THE UPPER SAN
30 PEDRO WATER DISTRICT THAT COVERS THE FIRST FIVE YEARS OF THE DISTRICT'S
31 OPERATION AND THE OPERATION OF THE DISTRICT'S ORGANIZING BOARD. THE AUDIT IS
32 DUE AND SHALL BE COMPLETED WITHIN SIX MONTHS AFTER THE CLOSE OF THE
33 DISTRICT'S FIFTH FISCAL YEAR.

34 B. THE SPECIAL AUDIT SHALL EXAMINE THE FINANCING OF THE DISTRICT, ITS
35 REVENUES AND EXPENDITURES AND ITS LEVEL OF PERFORMANCE IN REACHING ITS WATER
36 MANAGEMENT GOAL.

37 C. THE AUDITOR GENERAL SHALL SUBMIT ITS REPORT OF THE SPECIAL AUDIT TO
38 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND
39 THE GOVERNOR AND SHALL PROVIDE A COPY TO THE DIRECTOR OF THE ARIZONA STATE
40 LIBRARY, ARCHIVES AND PUBLIC RECORDS.

41 Sec. 4. Conditional enactment

42 A. Section 48-6414, Arizona Revised Statutes, as added by this act,
43 does not become effective unless Senate Bill 1575, forty-eighth legislature,
44 first regular session, relating to water adequacy program provisions, becomes
45 law.

H.B. 2300

1 B. Section 48-6415, Arizona Revised Statutes, as added by this act,
2 does not become effective unless House Bill 2692, forty-eighth legislature,
3 first regular session, relating to the water supply development revolving
4 fund, becomes law.